

990

Department of the Treasury  
Internal Revenue Service

## Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No 1545-0047

2014

Open to Public  
Inspection► Do not enter social security numbers on this form as it may be made public.  
► Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990)

A For the 2014 calendar year, or tax year beginning

and ending

B Check if applicable	C Name of organization <b>ATLANTIC LEGAL FOUNDATION</b> Doing business as <b>ATLANTIC LEGAL FOUNDATION, INC.</b>		D Employer identification number <b>23-2022920</b>
<input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Number and street (or P.O. box if mail is not delivered to street address) <b>2039 PALMER AVENUE</b>	Room/suite <b>104</b>	E Telephone number <b>914-834-3322</b>
	City or town, state or province, country, and ZIP or foreign postal code <b>LARCHMONT, NY 10538</b>		G Gross receipts \$ <b>664,370.</b>
	F Name and address of principal officer <b>WILLIAM H. SLATTERY</b> <b>SAME AS C ABOVE</b>		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
I Tax-exempt status. <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			H(b) Are all subordinates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
J Website: ► <b>WWW.ATLANTICLEGAL.ORG</b>			If "No," attach a list (see instructions)
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►			L Year of formation: <b>1977</b> M State of legal domicile: <b>PA</b>

## Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities <b>THE MISSION OF THE ATLANTIC LEGAL FOUNDATION IS TO ADVANCE THE RULE OF LAW BY ADVOCATING LIMITED</b>		
	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3 <b>29</b>	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4 <b>28</b>	
	5 Total number of individuals employed in calendar year 2014 (Part V, line 2a)	5 <b>5</b>	
	6 Total number of volunteers (estimate if necessary)	6 <b>57</b>	
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a <b>0.</b>	
b Net unrelated business taxable income from Form 990-T, line 34	7b <b>0.</b>		
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year <b>370,122.</b>	Current Year <b>561,704.</b>
	9 Program service revenue (Part VIII, line 2g)	0.	0.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	399.	256.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-29,108.	-14,032.
	12 Total revenue Add lines 8 through 11 (must equal Part VIII, column (A), line 12)	341,413.	547,928.
	RECEIVED 8/21/15		
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.	
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	332,499.	328,841.	
16a Professional/fundraising fees (Part IX, column (A), line 11e)	0.	0.	
b Total fundraising expenses (Part IX, column (D), line 25) ► <b>66,186.</b>			
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	156,235.	173,382.	
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	488,734.	502,223.	
19 Revenue less expenses Subtract line 18 from line 12	-147,321.	45,705.	
Expenses	Beginning of Current Year	End of Year	
	20 Total assets (Part X, line 16)	<b>186,846.</b>	<b>236,203.</b>
	21 Total liabilities (Part X, line 26)	<b>30,766.</b>	<b>34,418.</b>
	Net Assets or Fund Balances Subtract line 21 from line 20	<b>156,080.</b>	<b>201,785.</b>

## Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	► Signature of officer <b>WILLIAM H. SLATTERY, PRESIDENT</b> Type or print name and title	Date <i>W.H. Slatty 6/26/15</i>
Paid Preparer Use Only	Print/Type preparer's name <b>GARRETT M. HIGGINS</b>	Preparer's signature <i>Garrison Higgins CPA</i> Date 06/24/15
	Firm's name ► <b>O'CONNOR DAVIES, LLP</b>	Check <input type="checkbox"/> if self-employed PTIN P00543209
	Firm's address ► <b>665 FIFTH AVENUE NEW YORK, NY 10022</b>	Firm's EIN ► 27-1728945
		Phone no. (212) 286-2600

May the IRS discuss this return with the preparer shown above? (see instructions)

 Yes  No

432001 11-07-14 LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2014)

SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION

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20

**Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response or note to any line in this Part III 

**1** Briefly describe the organization's mission.

**THE MISSION OF THE ATLANTIC LEGAL FOUNDATION IS TO ADVANCE THE RULE OF LAW BY ADVOCATING LIMITED AND EFFICIENT GOVERNMENT; FREE ENTERPRISE; INDIVIDUAL LIBERTY; SCHOOL CHOICE; AND SOUND SCIENCE.**

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No

If "Yes," describe these new services on Schedule O

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No  
If "Yes," describe these changes on Schedule O.

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

**4a** (Code \_\_\_\_\_) (Expenses \$ **322,099.** Including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

**LEGAL REPRESENTATION OVERVIEW:**

THE FOUNDATION'S SOLE PROGRAM SERVICE IS LEGAL ADVOCACY, WHICH INCLUDES REPRESENTATION AND ADVICE, WITHOUT FEE, IN CASES THAT ADVANCE THE RULE OF LAW, LIMITED AND EFFICIENT GOVERNMENT, INDIVIDUAL LIBERTY, FREE ENTERPRISE, THE USE OF SOUND SCIENTIFIC METHODS IN JURISPRUDENCE AND REGULATORY REGIMES, AND EDUCATIONAL CHOICE. IN 2014, AS IT HAS FOR ALMOST FORTY YEARS, ATLANTIC LEGAL HAS BEEN AN ENERGETIC ADVOCATE FOR THE RULE OF LAW AND LIMITED CONSTITUTIONAL AND EFFICIENT GOVERNMENT IN COURTS AND BEFORE ADMINISTRATIVE AGENCIES ACROSS THE COUNTRY.

**4b** (Code \_\_\_\_\_) (Expenses \$ \_\_\_\_\_) Including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

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**4c** (Code \_\_\_\_\_) (Expenses \$ \_\_\_\_\_) Including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

\_\_\_\_\_

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\_\_\_\_\_

**4d** Other program services (Describe in Schedule O.)

(Expenses \$ \_\_\_\_\_) Including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

**4e** Total program service expenses ► **322,099.**

**Part IV Checklist of Required Schedules**

	<b>Yes</b>	<b>No</b>
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	1 X	
2 Is the organization required to complete <b>Schedule B, Schedule of Contributors</b> ?	2 X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	3 X	
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	4 X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	5 X	
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	6 X	
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	7 X	
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	8 X	
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	9 X	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	10 X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. <ul style="list-style-type: none"> <li>a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i></li> <li>b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i></li> <li>c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i></li> <li>d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i></li> <li>e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i></li> <li>f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part XI</i></li> </ul>	11a X 11b X 11c X 11d X 11e X 11f X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	12a X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	12b X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13 X	
14a Did the organization maintain an office, employees, or agents outside of the United States? <ul style="list-style-type: none"> <li>b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i></li> </ul>	14a X 14b X	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>	15 X	
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>	16 X	
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>	17 X	
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	18 X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	19 X	
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	20a X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b X	

**Part IV Checklist of Required Schedules (continued)**

	<b>Yes</b>	<b>No</b>
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	X
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22	X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K If "No", go to line 25a	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a	X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b	X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If "Yes," complete Schedule L, Part II	26	X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III	27	X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a	X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b	X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	33	X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	34	X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35b	
36 <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36	X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37	X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	38	X

**Note.** All Form 990 filers are required to complete Schedule O

Form 990 (2014)

**Part V Statements Regarding Other IRS Filings and Tax Compliance**Check if Schedule O contains a response or note to any line in this Part V 

	Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	5
<b>1b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	
<b>2a</b> Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	5
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <i>Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)</i>		
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X
<b>b</b> If "Yes," has it filed a Form 990-T for this year? <i>If "No," to line 3b, provide an explanation in Schedule O</i>	3b	
<b>4a</b> At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
<b>b</b> If "Yes," enter the name of the foreign country: ►  See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)		
<b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
<b>c</b> If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c	
<b>6a</b> Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	X
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>	6b	
<b>a</b> Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
<b>d</b> If "Yes," indicate the number of Forms 8282 filed during the year	7d	
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
<b>8 Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8	
<b>9 Sponsoring organizations maintaining donor advised funds.</b>	9a	
<b>a</b> Did the sponsoring organization make any taxable distributions under section 4966?	9b	
<b>b</b> Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
<b>10 Section 501(c)(7) organizations.</b> Enter:	10a	
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12	10b	
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
<b>11 Section 501(c)(12) organizations.</b> Enter:	11a	
<b>a</b> Gross income from members or shareholders	11b	
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a	
<b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>	13a	
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state? <i>Note. See the instructions for additional information the organization must report on Schedule O.</i>		
<b>b</b> Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
<b>c</b> Enter the amount of reserves on hand	13c	
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? <i>If "No," provide an explanation in Schedule O</i>	14b	

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI  X

### Section A. Governing Body and Management

	Yes	No
1a	29	
1b	28	
2		X
3		X
4		X
5		X
6		X
7a		X
7b		X
8a	X	
8b	X	
9		X

1a Enter the number of voting members of the governing body at the end of the tax year  
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O

1b Enter the number of voting members included in line 1a, above, who are independent

2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?

3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?

4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?

5 Did the organization become aware during the year of a significant diversion of the organization's assets?

6 Did the organization have members or stockholders?

7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?

b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?

8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following

a The governing body?

b Each committee with authority to act on behalf of the governing body?

9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O

### Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a		X
b		
11a		X
b		
12a	X	
b	X	
c		
13	X	
14	X	
15a	X	
b	X	
16a		X
b		
16b		

10a Did the organization have local chapters, branches, or affiliates?

b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?

11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?

b Describe in Schedule O the process, if any, used by the organization to review this Form 990.

12a Did the organization have a written conflict of interest policy? If "No," go to line 13

b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?

c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done

13 Did the organization have a written whistleblower policy?

14 Did the organization have a written document retention and destruction policy?

15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?

a The organization's CEO, Executive Director, or top management official

b Other officers or key employees of the organization

If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).

16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?

b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

### Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ►CA, MD, NJ, NY, PA, WV, CT, MA, VA

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

Own website  Another's website  Upon request  Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records: ►  
ROSEMARY L. WEBBER "ACCOUNTANT" - (717) 653-5920  
1537 EMERSON DRIVE, MOUNT JOY, PA 17552

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order. individual trustees or directors; institutional trustees; officers; key employees, highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
(1) WILLIAM H. SLATTERY PRESIDENT AND DIRECTOR	40.00	X		X			90,000.	0.	2,420.
(2) HAYWARD D. FISK CHAIRMAN OF THE BOARD	2.50	X		X			0.	0.	0.
(3) DOUGLAS POSTER VICE CHAIRMAN	1.00	X		X			0.	0.	0.
(4) DAVID E. WOOD TREASURER AND DIRECTOR	1.00	X		X			0.	0.	0.
(5) AUGUSTUS I. DUPONT SECRETARY AND DIRECTOR	1.00	X		X			0.	0.	0.
(6) NEVIN SANLI DIRECTOR & ASST. TREASURER	1.00	X		X			0.	0.	0.
(7) TRACY A. BACIGALUPO DIRECTOR	1.00	X					0.	0.	0.
(8) THOMAS E. BIRSCIC DIRECTOR	1.00	X					0.	0.	0.
(9) MARCY S. COHEN DIRECTOR	1.00	X					0.	0.	0.
(10) WILLIAM P. COOK DIRECTOR	1.00	X					0.	0.	0.
(11) GEORGE S. FRAZZA DIRECTOR	1.00	X					0.	0.	0.
(12) DONALD M. GRAY DIRECTOR	1.00	X					0.	0.	0.
(13) ROBERT L. HAIG DIRECTOR	1.00	X					0.	0.	0.
(14) STEPHEN J. HARMELIN DIRECTOR	1.00	X					0.	0.	0.
(15) JOE G. HOLLINGSWORTH DIRECTOR	1.00	X					0.	0.	0.
(16) FRANK R. JIMENEZ DIRECTOR	1.00	X					0.	0.	0.
(17) ROBERT E. JUCEAM DIRECTOR	1.00	X					0.	0.	0.

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
(18) EDWIN L. LEWIS DIRECTOR	1.00	X					0.	0.	0.
(19) ROBERT A. LONERGAN DIRECTOR	1.00	X					0.	0.	0.
(20) FRANK H. MENAKER, JR. DIRECTOR	1.00	X					0.	0.	0.
(21) NICOLAS MORGAN DIRECTOR	1.00	X					0.	0.	0.
(22) GREGORY J. MORROW DIRECTOR	1.00	X					0.	0.	0.
(23) ERNEST T. PATRIKIS DIRECTOR	1.00	X					0.	0.	0.
(24) WILLIAM G. PRIMPS DIRECTOR	1.00	X					0.	0.	0.
(25) THOMAS L. SAGER DIRECTOR UNTIL 4/3/14	1.00	X					0.	0.	0.
(26) PHILIP R. SELLINGER DIRECTOR	1.00	X					0.	0.	0.
<b>1b Sub-total</b>						►	90,000.	0.	2,420.
<b>c Total from continuation sheets to Part VII, Section A</b>						►	188,971.	0.	2,685.
<b>d Total (add lines 1b and 1c)</b>						►	278,971.	0.	5,105.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ► 1

3 Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	Yes	No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person	5	X

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	NONE	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ► 0

SEE PART VII, SECTION A CONTINUATION SHEETS

**Part VIII Statement of Revenue**Check if Schedule O contains a response or note to any line in this Part VIII 

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>					
1 a Federated campaigns	1a				
b Membership dues	1b				
c Fundraising events	1c	296,441.			
d Related organizations	1d				
e Government grants (contributions)	1e				
f All other contributions, gifts, grants, and similar amounts not included above	1f	265,263.			
g Noncash contributions included in lines 1a-1f \$					
<b>h Total. Add lines 1a-1f</b>		561,704.			
<b>Program Service Revenue</b>	<b>Business Code</b>				
2 a					
b					
c					
d					
e					
f All other program service revenue					
<b>g Total. Add lines 2a-2f</b>					
<b>3 Investment income (including dividends, interest, and other similar amounts)</b>		256.			256.
<b>4 Income from investment of tax-exempt bond proceeds</b>					
<b>5 Royalties</b>					
6 a Gross rents	(i) Real				
b Less rental expenses	(ii) Personal				
c Rental income or (loss)					
d Net rental income or (loss)					
7 a Gross amount from sales of assets other than inventory	(i) Securities				
b Less: cost or other basis and sales expenses	(ii) Other				
c Gain or (loss)					
d Net gain or (loss)					
8 a Gross income from fundraising events (not including \$ 296,441. of contributions reported on line 1c). See Part IV, line 18	a 102,410. b 116,442.				
b Less: direct expenses					
c Net income or (loss) from fundraising events		-14,032.			-14,032.
9 a Gross income from gaming activities. See Part IV, line 19	a				
b Less: direct expenses	b				
c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances	a				
b Less: cost of goods sold	b				
c Net income or (loss) from sales of inventory					
<b>Miscellaneous Revenue</b>	<b>Business Code</b>				
11 a					
b					
c					
d All other revenue					
<b>e Total. Add lines 11a-11d</b>					
<b>12 Total revenue</b> See instructions		547,928.	0.	0.	-13,776.

**Part VII** **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)**

Total to Part VII, Section A, line 1c

188,971.

2,685.

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A)

Check if Schedule O contains a response or note to any line in this Part IX 

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	284,076.	213,057.	34,089.	36,930.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	23,055.	17,291.	2,767.	2,997.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	225.	169.	27.	29.
10 Payroll taxes	21,485.	16,114.	2,578.	2,793.
11 Fees for services (non-employees):				
a Management				
b Legal	8,135.	8,135.		
c Accounting	14,600.		14,600.	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O)	27,512.		25,449.	2,063.
12 Advertising and promotion				
13 Office expenses	38,251.	16,342.	10,182.	11,727.
14 Information technology				
15 Royalties				
16 Occupancy	46,456.	34,842.	5,575.	6,039.
17 Travel	13,407.	6,524.	4,975.	1,908.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	10,522.	1,738.	8,464.	320.
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance	8,324.	7,449.	875.	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a STATE REGISTRATION FEES	1,534.	109.	1,082.	343.
b _____				
c _____				
d _____				
e All other expenses	4,641.	329.	3,275.	1,037.
25 Total functional expenses. Add lines 1 through 24e	502,223.	322,099.	113,938.	66,186.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				
Check here ► <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**Check if Schedule O contains a response or note to any line in this Part X 

		(A) Beginning of year	(B) End of year
	<b>1</b> Cash - non-interest-bearing	16,748.	18,218.
	<b>2</b> Savings and temporary cash investments	153,883.	201,259.
	<b>3</b> Pledges and grants receivable, net	1,750.	1,000.
	<b>4</b> Accounts receivable, net	280.	810.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	5	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L	6	
	<b>7</b> Notes and loans receivable, net	7	
	<b>8</b> Inventories for sale or use	8	
	<b>9</b> Prepaid expenses and deferred charges	6,155.	6,886.
<b>Assets</b>	<b>10a</b> Land, buildings, and equipment: cost or other basis Complete Part VI of Schedule D	10a	
	<b>b</b> Less: accumulated depreciation	10b	10c
	<b>11</b> Investments - publicly traded securities	11	
	<b>12</b> Investments - other securities. See Part IV, line 11	12	
	<b>13</b> Investments - program-related. See Part IV, line 11	13	
	<b>14</b> Intangible assets	14	
	<b>15</b> Other assets See Part IV, line 11	8,030.	8,030.
	<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34)	186,846.	236,203.
	<b>17</b> Accounts payable and accrued expenses	30,766.	34,418.
	<b>18</b> Grants payable	18	
	<b>19</b> Deferred revenue	19	
	<b>20</b> Tax-exempt bond liabilities	20	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D	21	
<b>Liabilities</b>	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	22	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties	23	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties	24	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	25	
	<b>26 Total liabilities.</b> Add lines 17 through 25	30,766.	34,418.
	<b>Organizations that follow SFAS 117 (ASC 958), check here ► <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>		
	<b>27</b> Unrestricted net assets	135,038.	185,285.
	<b>28</b> Temporarily restricted net assets	21,042.	16,500.
	<b>29</b> Permanently restricted net assets	29	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here ► <input type="checkbox"/> and complete lines 30 through 34.</b>		
	<b>30</b> Capital stock or trust principal, or current funds	30	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund	31	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds	32	
<b>Net Assets or Fund Balances</b>	<b>33 Total net assets or fund balances</b>	156,080.	201,785.
	<b>34 Total liabilities and net assets/fund balances</b>	186,846.	236,203.

Form 990 (2014)

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response or note to any line in this Part XI 

1 Total revenue (must equal Part VIII, column (A), line 12)	1	547,928.
2 Total expenses (must equal Part IX, column (A), line 25)	2	502,223.
3 Revenue less expenses. Subtract line 2 from line 1	3	45,705.
4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	156,080.
5 Net unrealized gains (losses) on investments	5	
6 Donated services and use of facilities	6	
7 Investment expenses	7	
8 Prior period adjustments	8	
9 Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10 Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	201,785.

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response or note to any line in this Part XII  X

1 Accounting method used to prepare the Form 990:  Cash  Accrual  Other \_\_\_\_\_  
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O

2a Were the organization's financial statements compiled or reviewed by an independent accountant?  
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both.  
 Separate basis  Consolidated basis  Both consolidated and separate basis

b Were the organization's financial statements audited by an independent accountant?  
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis

c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?  
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

**SCHEDULE A**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

► Attach to Form 990 or Form 990-EZ.

OMB No 1545-0047

**2014**

Open to Public  
Inspection

Name of the organization

ATLANTIC LEGAL FOUNDATION

Employer identification number

23-2022920

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box in lines 11a through 11d that describes the type of supporting organization and complete lines 11e, 11f, and 11g
  - a  **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
  - b  **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
  - c  **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
  - d  **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
  - e  Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

f Enter the number of supported organizations \_\_\_\_\_

g Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see Instructions)	(vi) Amount of other support (see Instructions)
			Yes	No		
Total						

LHA For Paperwork Reduction Act Notice, see the Instructions for

Form 990 or 990-EZ. 432021 09-17-14

Schedule A (Form 990 or 990-EZ) 2014

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	376,224.	658,989.	443,015.	370,122.	561,704.	2,410,054.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	376,224.	658,989.	443,015.	370,122.	561,704.	2,410,054.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						519,080.
						1,890,974.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
7 Amounts from line 4	376,224.	658,989.	443,015.	370,122.	561,704.	2,410,054.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	484.	526.	668.	399.	256.	2,333.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						2,412,387.
12 Gross receipts from related activities, etc (see instructions)				12		39,373.

13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► **Section C. Computation of Public Support Percentage**

14 Public support percentage for 2014 (line 6, column (f) divided by line 11, column (f))	14	78.39	%
15 Public support percentage from 2013 Schedule A, Part II, line 14	15	75.97	%
16a 33 1/3% support test - 2014. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization			► <input checked="" type="checkbox"/>
b 33 1/3% support test - 2013. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization			► <input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2014. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization			► <input type="checkbox"/>
b 10% -facts-and-circumstances test - 2013. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization			► <input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions			► <input type="checkbox"/>

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (Subtract line 7c from line 6)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12)						
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2014 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2013 Schedule A, Part III, line 15	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2014 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2013 Schedule A, Part III, line 17	18	%
<b>19a 33 1/3% support tests - 2014.</b> If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
<b>b 33 1/3% support tests - 2013.</b> If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
<b>20 Private foundation.</b> If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions		



**Part IV Supporting Organizations**

(Complete only if you checked a box on line 11 of Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

- 1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No" describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.
- 2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).
- 3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.
- b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in Part VI when and how the organization made the determination.
- c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use.
- 4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.
- b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.
- c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.
- 5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).
- b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?
- c Substitutions only. Was the substitution the result of an event beyond the organization's control?
- 6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (a) its supported organizations, (b) individuals that are part of the charitable class benefited by one or more of its supported organizations; or (c) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI.
- 7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990).
- 8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part I of Schedule L (Form 990).
- 9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in Part VI.
- b Did one or more disqualified persons (as defined in line 9(a)) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in Part VI.
- c Did a disqualified person (as defined in line 9(a)) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI.
- 10a Was the organization subject to the excess business holdings rules of IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer (b) below.
- b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)

	Yes	No
1		
2		
3a		
3b		
3c		
4a		
4b		
4c		
5a		
5b		
5c		
6		
7		
8		
9a		
9b		
9c		
10a		
10b		

**Part IV Supporting Organizations (continued)**

11 Has the organization accepted a gift or contribution from any of the following persons?

- A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?
- A family member of a person described in (a) above?
- A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.

	Yes	No
11a		
11b		
11c		

**Section B. Type I Supporting Organizations**

1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year

2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization

	Yes	No
1		
2		

**Section C. Type II Supporting Organizations**

1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).

	Yes	No
1		

**Section D. Type III Supporting Organizations**

1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (1) a written notice describing the type and amount of support provided during the prior tax year, (2) a copy of the Form 990 that was most recently filed as of the date of notification, and (3) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?

2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).

3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard

	Yes	No
1		
2		
3		

**Section E. Type III Functionally-Integrated Supporting Organizations**

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions):

- The organization satisfied the Activities Test. Complete line 2 below
- The organization is the parent of each of its supported organizations. Complete line 3 below.
- The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).

2 Activities Test. Answer (a) and (b) below.

- Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.
- Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.

3 Parent of Supported Organizations Answer (a) and (b) below.

- Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.
- Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard

	Yes	No
2a		
2b		
3a		
3b		

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970. See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
<b>8 Adjusted Net Income</b> (subtract lines 5, 6 and 7 from line 4)	<b>8</b>		
Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d Total (add lines 1a, 1b, and 1c)	1d		
e Discount claimed for blockage or other factors (explain in detail in Part VI)			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d	3		
4 Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035	6		
7 Recoveries of prior-year distributions	7		
<b>8 Minimum Asset Amount</b> (add line 7 to line 6)	<b>8</b>		
Section C - Distributable Amount		Current Year	
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1		
2 Enter 85% of line 1	2		
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4 Enter greater of line 2 or line 3	4		
5 Income tax imposed in prior year	5		
<b>6 Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6		
<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions).			

Schedule A (Form 990 or 990-EZ) 2014

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)**

<b>Section D - Distributions</b>		<b>Current Year</b>
1	Amounts paid to supported organizations to accomplish exempt purposes	
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	
4	Amounts paid to acquire exempt-use assets	
5	Qualified set-aside amounts (prior IRS approval required)	
6	Other distributions (describe in Part VI). See instructions.	
7	<b>Total annual distributions.</b> Add lines 1 through 6.	
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9	Distributable amount for 2014 from Section C, line 6	
10	Line 8 amount divided by Line 9 amount	

<b>Section E - Distribution Allocations (see instructions)</b>	<b>(i) Excess Distributions</b>	<b>(ii) Underdistributions Pre-2014</b>	<b>(iii) Distributable Amount for 2014</b>
1 Distributable amount for 2014 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2014 (reasonable cause required-see instructions)			
3 Excess distributions carryover, if any, to 2014			
a			
b			
c			
d			
e From 2013			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2014 distributable amount			
i Carryover from 2009 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2014 from Section D, line 7 \$			
a Applied to underdistributions of prior years			
b Applied to 2014 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2014, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions).			
6 Remaining underdistributions for 2014 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions).			
7 Excess distributions carryover to 2015. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a			
b			
c			
d Excess from 2013			
e Excess from 2014			

Schedule A (Form 990 or 990-EZ) 2014

Part VI

**Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12

Also complete this part for any additional information. (See instructions)

**SCHEDULE D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

► Complete if the organization answered "Yes" to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

► Attach to Form 990.

OMB No 1545-0047

**2014**

Open to Public  
Inspection

Name of the organization

ATLANTIC LEGAL FOUNDATION

Employer identification number  
**23-2022920**

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?  Yes  No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?  Yes  No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education)  Preservation of a historically important land area  
 Protection of natural habitat  Preservation of a certified historic structure  
 Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
2a	
2b	
2c	
2d	

a Total number of conservation easements  
b Total acreage restricted by conservation easements  
c Number of conservation easements on a certified historic structure included in (a)  
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ► \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?  Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ► \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_  
(ii) Assets included in Form 990, Part X ► \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_  
b Assets included in Form 990, Part X ► \$ \_\_\_\_\_

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets(continued)**

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply).

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations

- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

- c Beginning balance
- d Additions during the year
- e Distributions during the year
- f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ► \_\_\_\_\_ %

b Permanent endowment ► \_\_\_\_\_ %

c Temporarily restricted endowment ► \_\_\_\_\_ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

Yes	No
3a(i)	
3a(ii)	
3b	

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c) ► 0.

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12) ►		

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13) ►		

**Part IX Other Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►		

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1 Total revenue, gains, and other support per audited financial statements	1	584,282.
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a Net unrealized gains (losses) on investments	2a	
b Donated services and use of facilities	2b	36,354.
c Recoveries of prior year grants	2c	
d Other (Describe in Part XIII.)	2d	
e Add lines 2a through 2d	2e	36,354.
3 Subtract line 2e from line 1	3	547,928.
4 Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIII.)	4b	
c Add lines 4a and 4b	4c	0.
5 Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	547,928.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1 Total expenses and losses per audited financial statements	1	538,577.
2 Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a Donated services and use of facilities	2a	36,354.
b Prior year adjustments	2b	
c Other losses	2c	
d Other (Describe in Part XIII.)	2d	
e Add lines 2a through 2d	2e	36,354.
3 Subtract line 2e from line 1	3	502,223.
4 Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIII.)	4b	
c Add lines 4a and 4b	4c	0.
5 Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	502,223.

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART X, LINE 2:**

THE FOUNDATION RECOGNIZES THE EFFECT OF INCOME TAX POSITIONS ONLY IF THOSE POSITIONS ARE MORE LIKELY THAN NOT TO BE SUSTAINED. MANAGEMENT HAS DETERMINED THAT THE FOUNDATION HAD NO UNCERTAIN TAX POSITIONS THAT WOULD REQUIRE FINANCIAL STATEMENT RECOGNITION. THE FOUNDATION IS NO LONGER SUBJECT TO AUDITS BY THE APPLICABLE TAXING JURISDICTIONS FOR PERIODS PRIOR TO 2011.

**SCHEDULE G**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information Regarding Fundraising or Gaming Activities**

**Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.**

OMB No 1545-0047

2014

**Open to Public  
Inspection**

Name of the organization

ATLANTIC LEGAL FOUNDATION

**Employer identification number**  
23-2022920

**Part I** **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a <input type="checkbox"/> Mail solicitations	e <input type="checkbox"/> Solicitation of non-government grants
b <input type="checkbox"/> Internet and email solicitations	f <input type="checkbox"/> Solicitation of government grants
c <input type="checkbox"/> Phone solicitations	g <input type="checkbox"/> Special fundraising events
d <input type="checkbox"/> In-person solicitations	

**2 a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?  Yes  No

**b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

**Total**

**3** List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

Revenue		(a) Event #1 AWARD DINNER-APRIL	(b) Event #2 AWARD DINNER-NOV.	(c) Other events NONE	(d) Total events (add col. (a) through col. (c))
		(event type)	(event type)	(total number)	
		208,525.	190,326.		398,851.
	1 Gross receipts				
	2 Less: Contributions	155,395.	141,046.		296,441.
	3 Gross income (line 1 minus line 2)	53,130.	49,280.		102,410.
	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs		2,150.		2,150.
	7 Food and beverages	42,724.	28,447.		71,171.
	8 Entertainment	6,020.	10,173.		16,193.
	9 Other direct expenses	14,253.	12,675.		26,928.
	10 Direct expense summary. Add lines 4 through 9 in column (d)				► 116,442.
	11 Net income summary. Subtract line 10 from line 3, column (d)				► -14,032.

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a

Revenue		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
	1 Gross revenue				
	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d)				►
	8 Net gaming income summary. Subtract line 7 from line 1, column (d)				►

9 Enter the state(s) in which the organization conducts gaming activities. \_\_\_\_\_

a Is the organization licensed to conduct gaming activities in each of these states?  Yes  No

b If "No," explain: \_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?  Yes  No

b If "Yes," explain: \_\_\_\_\_

11 Does the organization conduct gaming activities with nonmembers?  Yes  No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?  Yes  No

13 Indicate the percentage of gaming activity conducted in:

a The organization's facility	13a	%
b An outside facility	13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?  Yes  No

b If "Yes," enter the amount of gaming revenue received by the organization ► \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ► \$ \_\_\_\_\_

c If "Yes," enter name and address of the third party:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

16 Gaming manager information:

Name ► \_\_\_\_\_

Gaming manager compensation ► \$ \_\_\_\_\_

Description of services provided ► \_\_\_\_\_  
\_\_\_\_\_

Director/officer  Employee  Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?  Yes  No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ \_\_\_\_\_

**Part IV** **Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information (see instructions).

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Part IV Supplemental Information (continued)**

**SCHEDULE J**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

# Compensation Information

OMB No 1545-0047

2014

Open to Public  
Inspection

Name of the organization

**ATLANTIC LEGAL FOUNDATION**

Employer identification number  
**23-2022920**

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

<input type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract
<input type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?

- b** Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

- a** The organization?

- b** Any related organization?

If "Yes" to line 6a or 6b, describe in Part III.

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7	X	
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2014

**Part II** Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

### **Part III Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 7:

BRISCOE R. SMITH RECEIVED A \$5,000 PERFORMANCE-BASED BONUS IN DECEMBER

2014.

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

► Attach to Form 990 or 990-EZ.

► Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2014**

Open to Public  
Inspection

Name of the organization

ATLANTIC LEGAL FOUNDATION

Employer identification number  
23-2022920

**FORM 990, PART I, DOING BUSINESS AS:**

ATLANTIC LEGAL FOUNDATION, INC.

**FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:**

AND EFFICIENT GOVERNMENT; FREE ENTERPRISE; INDIVIDUAL LIBERTY; SCHOOL  
CHOICE; AND SOUND SCIENCE.

**FORM 990, PART III, LINE 4A, CONTINUED:**

CONSTITUTIONAL AND PROCEDURAL ISSUES

JURISDICTIONAL DETERMINATIONS UNDER THE CLEAN WATER ACT: KENT RECYCLING

V. U.S. ARMY CORPS OF ENGINEERS-UNITED STATES SUPREME COURT

UNDER THE CLEAN WATER ACT (CWA), THE ARMY CORPS OF ENGINEERS MAY ISSUE

A SITE-SPECIFIC JURISDICTIONAL DETERMINATION (JD) DELINEATING "WATERS

OF THE UNITED STATES" SUBJECT TO FEDERAL REGULATION ON PRIVATE LAND. A

JD EFFECTIVELY PROHIBITS THE LAND OWNER FROM USING THE REGULATED

PORTION OF HIS LAND WITHOUT A FEDERAL PERMIT. IN APPARENT CONFLICT WITH

THE SUPREME COURT'S UNANIMOUS DECISION IN SACKETT V. EPA, THE NINTH AND

THE FIFTH CIRCUITS REFUSED TO REVIEW SUCH DETERMINATIONS UNDER THE

ADMINISTRATIVE PROCEDURE ACT HOLDING THEY CREATE NO LEGAL CONSEQUENCES

AND ARE NOT "FINAL AGENCY ACTION." ACCORDING TO THESE CIRCUITS, A

LANDOWNER MAY BRING A CHALLENGE TO SUCH A DETERMINATION IN COURT ONLY

AFTER MAKING A PROHIBITIVELY COSTLY AND TIME-CONSUMING APPLICATION FOR

A PERMIT, WHICH THE CORPS WILL THEN ISSUE, ISSUE WITH CONDITIONS AND

LIMITATIONS, OR DENY. THE APPLICATION WOULD BE UNNECESSARY, AND

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

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Schedule O (Form 990 or 990-EZ) (2014)

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OUTSIDE THE AGENCY'S POWER TO ISSUE OR DENY, IF THE JD INCORRECTLY ASSERTS FEDERAL JURISDICTION, AS PETITIONER CONTENDS IN THIS CASE. IN CONFLICT WITH OTHER CIRCUITS, THE FIFTH CIRCUIT HELD THAT A DUE PROCESS CHALLENGE TO A JD IS ALSO SUBJECT TO THIS ONEROUS PERMIT REQUIREMENT TO ESTABLISH "FINAL AGENCY ACTION" UNDER THE APA. HERE THE ARMY CORPS OF ENGINEERS MADE A JD THAT A PORTION OF A PARCEL OF PROPERTY OF WHICH PETITIONER IS THE CONTRACT VENDEE IS SUBJECT TO CWA REGULATION AND CANNOT BE DEVELOPED WITHOUT A PERMIT. OBTAINING A PERMIT IS ONEROUS: IN RAPANOS V. UNITED STATES, 547 U.S. 715 (2006), IN WHICH ATLANTIC LEGAL ALSO FILED AN AMICUS BRIEF, THE SUPREME COURT NOTED THAT THE "AVERAGE APPLICANT FOR AN INDIVIDUAL PERMIT SPENDS 788 DAYS AND \$271,596 IN COMPLETING THE PROCESS."

ATLANTIC LEGAL'S AMICUS BRIEF, FILED IN SUPPORT OF A PETITION FOR CERTIORARI BEFORE THE SUPREME COURT, WAS ON BEHALF OF A COUPLE WHO BOUGHT PROPERTY IN WESTON, CONNECTICUT SEVERAL YEARS AGO. THE BRIEF HIGHLIGHTS AND "PUTS A HUMAN FACE ON" THE BARRIERS AND FRUSTRATIONS FACED BY LANDOWNERS WHOSE PROPERTY IS DEEMED TO INCLUDE "JURISDICTIONAL WETLANDS". THIS COUPLE PAID SLIGHTLY OVER \$210,000 FOR 14 ACRES OF UNDEVELOPED LAND IN A SUBURBAN COMMUNITY, INTENDING TO BUILD A \$300,000 HOUSE. THEY SPENT APPROXIMATELY FOUR YEARS AND \$200,000 TO OBTAIN LOCAL BUILDING DEPARTMENT AND CONSERVATION COMMISSION APPROVALS. THEN, WHEN THEY STARTED REPAIRING A PRE-EXISTING GRAVEL DRIVEWAY LEADING FROM THE PUBLIC STREET TO THE SITE OF THEIR HOUSE, THEY RECEIVED A "CEASE AND DESIST" LETTER FROM THE ARMY CORPS OF ENGINEERS, ASSERTING PROBABLE CLEAN WATER ACT JURISDICTION AND THREATENING FINES OF \$37,500 PER DAY AND POSSIBLE IMPRISONMENT IF THEY DID NOT IMMEDIATELY STOP WORK. FOUR YEARS LATER, AFTER THEY EXHAUSTED ALL ADMINISTRATIVE APPEALS, THE CORPS

Name of the organization

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OF ENGINEERS' COMMANDING REGIONAL OFFICER AFFIRMED THE DISTRICT ENGINEER'S "JURISDICTIONAL DETERMINATION" THAT THE PROPERTY CONTAINS OR IS CONNECTED TO "WATERS OF THE UNITED STATES" AND IS THEREFORE SUBJECT TO FEDERAL JURISDICTION. THE DECISION AFFIRMING THE DISTRICT OFFICE DECISION, AND THE UNDERLYING REGULATIONS, STATE THAT THE DECISION IS THE FINAL ADMINISTRATIVE FINDING OF JURISDICTION. THERE ARE NO MORE ADMINISTRATIVE APPEALS AVAILABLE.

THE FOUNDATION ARGUES THAT, AS WITH THE COMPLIANCE ORDER IN SACKETT, THE JD IN THIS CASE HAS IMMEDIATE AND DIRECT LEGAL CONSEQUENCES. IT IS, IN FACT, AN ADJUDICATIVE DECISION THAT APPLIES THE LAW TO THE SPECIFIC PROPERTY AND IS LEGALLY BINDING ON THE AGENCY AND THE LANDOWNER, THEREBY FIXING A LEGAL RELATIONSHIP, THE SINE QUA NON OF "FINAL AGENCY ACTION," AND THUS IS APPEALABLE TO AN ARTICLE III COURT. THE GOVERNMENT ARGUES THAT THE JD, BY ITSELF, IMPOSES NO AFFIRMATIVE LEGAL OBLIGATION ON THE LANDOWNER.

THE FOUNDATION'S PARTICIPATION IN THIS CASE WAS IN THE PUBLIC INTEREST BECAUSE PROPERTY OWNERS NEED PROCEDURAL CERTAINTY WHEN THEIR PROPERTY HAS BEEN DESIGNATED A "WETLANDS."

LIMITING CLASS ACTION ABUSE: IN RE POLYURETHANE ANTITRUST LITIGATION - UNITED STATES SUPREME COURT

ATLANTIC LEGAL MAINTAINED ITS WORK TO LIMIT THE ABUSE SOMETIMES INVOLVED IN MASSIVE CLASS ACTION LAWSUITS. IN THE LATEST CLASS ACTION

432212  
08-27-14

Schedule O (Form 990 or 990-EZ) (2014)

Name of the organization

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23-2022920

EFFORT, ATLANTIC LEGAL FILED A BRIEF IN THE SUPREME COURT OF THE UNITED STATES IN CARPENTER CO., ET AL. V. ACE FOAM, INC., ET AL., IN SUPPORT OF A PETITION FOR CERTIORARI FILED BY DEFENDANTS. THE CASE, ALSO KNOWN AS IN RE POLYURETHANE ANTITRUST LITIGATION, IS CLASS ACTION BY TWO CLASSES, DIRECT AND INDIRECT PURCHASERS OF POLYURETHANE, USED MAINLY AS FILLER FOR SUCH PRODUCTS AS FURNITURE AND FURNISHINGS. THE SIXTH CIRCUIT CERTIFIED TWO MASSIVE CLASSES, WHICH ASSERT COMBINED DAMAGES OF OVER \$9 BILLION. PETITIONS CHARACTERIZE THIS AS "GARGANTUAN"-THEY ARE LIKELY THE LARGEST EVER CERTIFIED AND UPHELD BY A FEDERAL COURT OF APPEALS-THAT "SWEEPS TOGETHER DISSIMILAR PURCHASERS OF A VAST NUMBER OF DISTINCT PRODUCTS" SOLD BY DISPARATE GROUPS OF DEFENDANTS, AND COVERS A "KALEIDOSCOPE" OF DIFFERENT PURCHASERS AND PRODUCTS, RANGING FROM FURNITURE MANUFACTURERS PURCHASING SEAT PADDING, TO INDIVIDUALS BUYING FOAM PILLOWS.

THE THRUST OF THE PETITION FOR CERTIORARI IS THAT THE TWO CLASSES CONTAIN MANY PURCHASERS WHO DID NOT SUFFER ANY INJURY, AND CERTIFICATION OF THOSE CLASSES VIOLATES THE REQUIREMENT OF ARTICLE III OF THE U.S. CONSTITUTION THAT ALL CLASS MEMBERS HAVE STANDING. AS A SEPARATE GROUND FOR REVIEW, PETITIONERS ARGUE THAT INDIVIDUAL DAMAGES CALCULATIONS OVERWHELM COMMON ISSUES, IN VIOLATION OF THE SUPREME COURT'S DECISION IN COMCAST CORP V. BEHREND. PETITIONERS ALSO ARGUE THAT THE DISTRICT COURT USED AN AGGREGATE APPROACH TO MEASURING DAMAGES IMPROPERLY OBSCURING THE DIFFERENCES AMONG CLASS MEMBERS, RESULTING IN WINDFALLS FOR SOME WHILE POTENTIALLY UNDERCOMPENSATING OTHERS, AND STRIPPING CLASS ACTION DEFENDANTS OF THEIR RIGHT TO PRESENT "DEFENSES TO INDIVIDUAL CLAIMS," IN VIOLATION OF THE RULES ENABLING ACT, DUE PROCESS, AND THE COURT'S DECISION IN WAL-MART STORES, INC., V. DUKES.

Name of the organization

ATLANTIC LEGAL FOUNDATION

Employer identification number

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ATLANTIC LEGAL'S BRIEF, WHICH WAS JOINED BY THE INTERNATIONAL ASSOCIATION OF DEFENSE COUNSEL, FOCUSES ON WHETHER CERTIFYING A CLASS UNDER RULE 23(B)(3) IS IMPROPER WHEN INDIVIDUALIZED DAMAGES ISSUES PREDOMINATE, AND WHEN PLAINTIFFS RELY EXCLUSIVELY ON AGGREGATE DAMAGES MODELS THAT CALCULATE DAMAGES PURPORTEDLY INCURRED BY THE CLASS AS A WHOLE, RATHER THAN BY INDIVIDUAL CLASS MEMBERS.

THE FOUNDATION'S BRIEF IN THIS CASE WAS IN THE PUBLIC INTEREST BECAUSE IMPROPER CLASS ACTIONS THREATEN ECONOMIC GROWTH.

FIRST AMENDMENT CHALLENGE: MINORITY TELEVISION PROJECT INC. V. FCC - UNITED STATES SUPREME COURT

ATLANTIC LEGAL FILED A BRIEF IN MINORITY TELEVISION PROJECT INC. V. FCC, WHICH INVOLVED AN IMPORTANT FIRST AMENDMENT QUESTION RELATING TO OUTDATED RESTRICTIONS ON POLITICAL SPEECH IN BROADCAST MEDIA.

THE NINTH CIRCUIT ISSUED AN EN BANC RULING THAT GREATLY LIMITED THE RIGHTS OF PUBLIC TV AND RADIO BROADCASTERS NATIONWIDE, RELYING ON A 45-YEAR OLD RULING IN RED LION BROADCASTING V. FCC (1969).

THE NINTH CIRCUIT UPHELD A FEDERAL LAW PROHIBITING CORPORATE AND CAMPAIGN ADVERTISING ON PUBLIC RADIO AND TELEVISION AND RULED THAT THE GOVERNMENT HAS A SUBSTANTIAL INTEREST IN IMPOSING ADVERTISING RESTRICTIONS TO "PRESERVE THE ESSENCE OF PUBLIC BROADCAST PROGRAMMING"

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AND THAT "CONGRESS RECOGNIZED THAT ADVERTISING WOULD CHANGE THE CHARACTER OF PUBLIC BROADCAST PROGRAMMING AND UNDERMINE THE INTENDED DISTINCTION BETWEEN COMMERCIAL AND NONCOMMERCIAL BROADCASTING."

MINORITY TELEVISION PROJECT INC., A CALIFORNIA NONPROFIT GROUP THAT OPERATES A PUBLIC TELEVISION STATION IN PALO ALTO, CALIFORNIA, MANY OF WHOSE BROADCASTS AND ANNOUNCEMENTS ARE IN ASIAN LANGUAGES, SUED THE FEDERAL COMMUNICATIONS COMMISSION AFTER IT WAS FINED \$10,000 BY THE FCC FOR ALLEGEDLY BROADCASTING ADS.

FEDERAL LAW BANS BROADCASTERS FROM AIRING PAID ADS FOR POLITICAL CANDIDATES, ISSUE ADVOCACY AND CORPORATIONS ON PUBLIC RADIO AND TV. THE LAW ALLOWS PROGRAMMING SUPPLIERS SUCH AS NATIONAL PUBLIC RADIO TO BROADCAST MESSAGES BY CORPORATE SPONSORS, HOWEVER. THE STATION CLAIMED THE BAN ON "ADS" VIOLATES ITS RIGHT TO FREE SPEECH.

THE NINTH CIRCUIT EN BANC MAJORITY REJECTED ARGUMENTS THAT BROADCAST SPEECH SHOULD RECEIVE THE SAME DEFERENCE THAT THE U.S. SUPREME COURT GAVE TO SPEECH RELATED TO ELECTIONS IN ITS 2010 CITIZENS UNITED RULING THAT ALLOWED CORPORATIONS AND UNIONS TO SPEND UNLIMITED SUMS ON POLITICAL CAMPAIGNS. CITIZENS UNITED "WAS NOT ABOUT BROADCAST REGULATION; IT WAS ABOUT THE VALIDITY OF A STATUTE BANNING POLITICAL SPEECH BY CORPORATIONS."

THE THRUST OF ATLANTIC LEGAL'S BRIEF, FILED WITH SEVERAL OTHER NON-PROFITS, PRIMARILY ADDRESSED THE ISSUE WHETHER, IN LIGHT OF THE COURT'S DECISION IN CITIZENS UNITED V. FEC, 558 U.S. 310 (2010), COURTS SHOULD APPLY STRICT SCRUTINY TO BANS ON PAID POLITICAL MESSAGES THAT

Name of the organization

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ARE "BROADCAST," RATHER THAN "RATIONAL BASIS REVIEW," OR INTERMEDIATE SCRUTINY, AS IN FCC V. LEAGUE OF WOMEN VOTERS, 468 U.S. 363 (1984). UNFORTUNATELY, THE COURT DENIED REVIEW AT THE END OF ITS TERM IN JUNE, 2014.

ATLANTIC LEGAL'S PARTICIPATION IN THIS CASE WAS IN THE PUBLIC INTEREST BECAUSE THE ISSUE OF PROTECTING POLITICAL SPEECH IS VITAL TO OUR DEMOCRATIC SYSTEM.

DISPARATE IMPACT AND THE FAIR HOUSING ACT: TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS V. THE INCLUSIVE COMMUNITIES PROJECT - UNITED STATES SUPREME COURT

THE ISSUE BEFORE THE SUPREME COURT OF THE UNITED STATES IN TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS V. THE INCLUSIVE COMMUNITIES PROJECT IS WHETHER THE FAIR HOUSING ACT ALLOWS FOR LIABILITY BASED ON DISPARATE IMPACT, AS DISTINCT FROM DISCRIMINATORY ACTS OR MOTIVES.

DISPARATE IMPACT HAS METASTASIZED AT THE FEDERAL LEVEL. INCREASINGLY, ENTITIES WHICH ARE GOVERNMENT CONTRACTORS OR SUBCONTRACTORS, OR WHICH RECEIVE FEDERAL FUNDING, MUST MAKE RACE-CONSCIOUS DECISIONS TO AVOID DISPARATE IMPACT IN HOUSING, EMPLOYMENT, EDUCATION, GRANT PROGRAMS, GOVERNMENT CONTRACTING, ETC.

THE SUPREME COURT'S DECISION IN RICCI HIGHLIGHTS THE CONFLICT BETWEEN

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DISPARATE IMPACT DOCTRINE AND THE CONSTITUTIONAL GUARANTEES OF EQUAL PROTECTION BECAUSE REQUIRING EMPLOYERS AND OTHERS TO AVOID DISPARATE IMPACT LIABILITY COULD LEAD TO A DE FACTO QUOTA SYSTEM. AS EXPLAINED IN JUSTICE SCALIA'S CONCURRENCE, A DISPARATE IMPACT THEORY OF LIABILITY MAY VIOLATE THE EQUAL PROTECTION CLAUSE BECAUSE SUBJECTING DEFENDANTS TO DISPARATE IMPACT CLAIMS LEADS THEM TO ENGAGE IN UNCONSTITUTIONAL RACE-CONSCIOUS DECISION-MAKING TO AVOID LIABILITY FOR SUCH CLAIMS AND LEADS TO SUBSTANTIALLY ADVERSE RESULTS. SEE RICCI V. DESTEFANO, 557 U.S. 557, 582, 594 (2009).

ATLANTIC LEGAL JOINED IN AN AMICUS BRIEF PACIFIC LEGAL FOUNDATION FILED ON BEHALF OF A NUMBER OF PUBLIC INTEREST LEGAL FOUNDATIONS AND ADVOCACY GROUPS IN SUPPORT OF PETITIONER ON THE MERITS. THE BRIEF ARGUES THAT (1) THE TEXT OF THE FAIR HOUSING ACT DOES NOT SUPPORT A COGNIZABLE DISPARATE IMPACT CLAIM, (2) THERE IS A CONFLICT BETWEEN THE DISPARATE IMPACT THEORY OF LIABILITY AND EQUAL PROTECTION, AND (3) THE EXTENSION OF THE DISPARATE IMPACT DOCTRINE TO THE FAIR HOUSING ACT LEADS TO ADVERSE RESULTS.

THE FOUNDATION'S PARTICIPATION IN THIS CASE WAS IN THE PUBLIC INTEREST BECAUSE THE SCOPE OF 14TH AMENDMENT PROTECTIONS IS CENTRAL TO CONSTITUTIONAL LAW.

PUBLIC PENSION FUND DISCLOSURE: EMPIRE CENTER V. NEW YORK STATE TEACHERS' PENSION SYSTEM - NEW YORK COURT OF APPEALS

Name of the organization <b>ATLANTIC LEGAL FOUNDATION</b>	Employer identification number <b>23-2022920</b>
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THE FOUNDATION FILED A FRIEND OF THE COURT BRIEF IN THE NEW YORK COURT OF APPEALS ON BEHALF OF THE CITIZENS BUDGET COMMISSION AND THE CITIZENS UNION OF NEW YORK CITY IN SUPPORT OF A FREEDOM OF INFORMATION REQUEST BY THE EMPIRE CENTER FOR PUBLIC POLICY IN TWO RELATED CASES, EMPIRE CENTER V. NEW YORK STATE TEACHERS' PENSION SYSTEM AND EMPIRE CENTER V. TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK. THE CITIZENS BUDGET COMMISSION AND THE CITIZENS UNION OF NEW YORK CITY ARE TWO OF THE OLDEST AND MOST-RESPECTED NON-PARTISAN, GOOD GOVERNMENT ORGANIZATIONS IN NEW YORK.

THE CASES AROSE OUT OF REQUESTS FOR INFORMATION BY EMPIRE CENTER, PURSUANT TO NEW YORK'S FREEDOM OF INFORMATION LAW (FOIL), FOR INFORMATION ABOUT RETIRED MEMBERS OF THE TWO IMMENSE PUBLIC EMPLOYEE RETIREMENT SYSTEMS: THEIR NAMES, LAST EMPLOYERS, CUMULATIVE YEARS OF SERVICE AT RETIREMENT, GROSS RETIREMENT BENEFITS, RETIREMENT DATES, AND MEMBERSHIP DATES. BOTH RETIREMENT SYSTEMS REFUSED TO PROVIDE THE NAMES OF THEIR RETIREES, INVOKING SECTION 89(7) OF THE FOIL, WHICH PROVIDES THAT NOTHING IN THE LAW SHALL REQUIRE "THE DISCLOSURE OF THE HOME ADDRESS. . . OF A RETIREE OF A PUBLIC EMPLOYEES' RETIREMENT SYSTEM; NOR SHALL ANYTHING IN THIS ARTICLE REQUIRE THE DISCLOSURE OF THE NAME OR HOME ADDRESS OF A BENEFICIARY OF A PUBLIC EMPLOYEES' RETIREMENT SYSTEM," ARGUING THAT A "RETIREE" IS ALSO A "BENEFICIARY."

THE LOWER COURTS HELD THAT THEY WERE CONSTRAINED BY AN EARLIER DECISION OF THE COURT OF APPEALS TO FIND FOR THE RETIREMENT SYSTEMS.

ATLANTIC LEGAL ARGUED THAT SECTION 89(7) IS AN EXCEPTION TO THE BROAD DISCLOSURE MANDATE OF FOIL, AND SHOULD BE NARROWLY CONSTRUED TO PROMOTE

Name of the organization

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THE OVERARCHING PURPOSE OF FOIL-PUBLIC ACCESS TO GOVERNMENT RECORDS AND TRANSPARENCY-AND THE HOLDINGS OF THE LOWER COURTS ARE MANIFESTLY CONTRARY TO THE PURPOSES OF FOIL AND PARTICULARLY TROUBLING GIVEN TAXPAYERS' JUSTIFIED CONCERNs OVER THE FISCAL ISSUES FACING STATE AND LOCAL GOVERNMENT; AND THAT PRINCIPLES OF STATUTORY CONSTRUCTION, ESPECIALLY THE PRINCIPLE THAT A LAW SHOULD NOT BE CONSTRUED TO RENDER LEGISLATIVE LANGUAGE SUPERFLUOUS WHEN IT IS PRACTICABLE TO GIVE TO EACH A DISTINCT AND SEPARATE MEANING SHOULD BE RECOGNIZED.

THE LEGAL ISSUE IS SIGNIFICANT BECAUSE MANY OBSERVERS BELIEVE THAT THE FINANCIAL BURDEN OF GOVERNMENT PENSIONS THREATENS TO ADVERSELY AFFECT THE ECONOMIC VIABILITY OF THE STATE AND CITY OF NEW YORK AND THE WELFARE OF NEW YORK CITIZENS AND TAXPAYERS.

IN A LANDMARK 6-0 RULING, THE NEW YORK COURT OF APPEALS (THE STATE'S HIGHEST COURT) DECIDED IN MAY IN FAVOR OF EMPIRE CENTER, HOLDING THAT THE NAMES OF STATE AND LOCAL GOVERNMENT RETIREES RECEIVING PENSIONS ARE SUBJECT TO PUBLIC DISCLOSURE UNDER THE STATE FREEDOM OF INFORMATION LAW.

ATLANTIC LEGAL'S AMICUS BRIEF IN THIS CASE WAS IN THE PUBLIC INTEREST BECAUSE ACCESS TO GOVERNMENT RECORDS IS VITAL TO GOOD GOVERNMENT AND BECAUSE THE VIEWS OF THE HIGHLY RESPECTED GOOD GOVERNMENT ORGANIZATIONS WE REPRESENTED ARE IMPORTANT TO THE PUBLIC'S UNDERSTANDING OF THIS ISSUE.

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THE ESTABLISHMENT CLAUSE AND YOGA: SEDLOCK V. BAIRD - CALIFORNIA COURT  
OF APPEAL

THE FOUNDATION FILED AN AMICUS BRIEF IN SUPPORT OF INTERVENOR PARENTS  
WHO FAVOR INCLUSION OF A YOGA OPTION IN THE CURRICULUM OF ELEMENTARY  
SCHOOLS IN THEIR LOCAL SCHOOL DISTRICT.

THE PLAINTIFFS, PARENTS OF SOME ELEMENTARY SCHOOL CHILDREN, SUED LOCAL  
SCHOOL OFFICIALS IN SAN DIEGO COUNTY, CALIFORNIA. THEY ALLEGE THAT  
YOGA TAUGHT AS PART OF THE PHYSICAL EDUCATION PROGRAM IS CLOSELY TIED  
TO THE HINDU RELIGION, AND THUS CONSTITUTES AN IMPERMISSIBLE  
"ESTABLISHMENT" OF RELIGION IN VIOLATION OF THE FIRST AMENDMENT TO THE  
U.S. CONSTITUTION.

A FOUNDATION THAT HAS TIES TO A RELIGIOUS VARIETY OF YOGA MADE A  
HALF-MILLION DOLLAR GRANT TO THE SCHOOL DISTRICT TO IMPLEMENT AN  
EXPERIMENTAL YOGA-BASED PHYSICAL EDUCATION CURRICULUM. AFTER A PILOT  
PROGRAM HAD BEEN TRIED IN ONE SCHOOL THE DISTRICT MADE SUBSTANTIAL  
CHANGES TO THE YOGA EXERCISES BEING TAUGHT-IN PART IN RESPONSE TO  
PARENTS' COMMENTS-AND ALL REFERENCES TO HINDU RELIGION WERE REMOVED  
FROM THE CURRICULUM AND THE NAMES OF THE VARIOUS YOGA POSITIONS HAVE  
BEEN GIVEN COMMON ENGLISH NAMES.

PLAINTIFFS ALLEGE THAT, NOTWITHSTANDING THESE CHANGES, YOGA IS  
INHERENTLY RELIGIOUS AND THAT THERE IS NO "SECULAR VARIETY" APPROPRIATE  
FOR PUBLIC SCHOOLS. THEIR OBJECTION IS GROUNDED IN THEIR BELIEF THAT  
YOGA AND ITS PRACTICES INVOLVE THE WORSHIP OF IDOLS IN VIOLATION OF THE  
TEN COMMANDMENTS AND THAT CHRISTIAN CHILDREN CANNOT PRACTICE YOGA

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WITHOUT JEOPARDIZING THEIR CORE RELIGIOUS BELIEFS. THEY CLAIM THAT THE SCHOOL DISTRICT IS ATTEMPTING TO INDOCTRINATE NAIVE ELEMENTARY SCHOOL CHILDREN IN A "DEVIANT" RELIGION. IRONICALLY, A SIGNIFICANT PERCENTAGE OF ADULTS IN THE ENCINITAS COMMUNITY USE YOGA AS PART OF THEIR HEALTH AND FITNESS REGIME.

THE CENTRAL ISSUES IN THE CASE ARE WHETHER THE YOGA TAUGHT IN THE SCHOOLS IS "RELIGIOUS" AND, IF IT IS, WHETHER THE INTRODUCTION OF AN OPTIONAL YOGA EXERCISE CLASS FROM WHICH REFERENCES TO THE HINDU RELIGION HAVE BEEN REMOVED AMOUNTS TO AN "ENTANGLEMENT" OF THE STATE WITH RELIGION UNDER THE LEADING CASE LEMON V. KURTZMAN, 403 U.S. 602 (1971).

IN AN AMICUS BRIEF THE FOUNDATION ARGUED THAT, WHILE YOGA MAY HAVE RELIGIOUS ROOTS, AS COMMONLY PRACTICED IN THE UNITED STATES IT HAS BECOME A SECULAR ACTIVITY. IN ADDITION, MANY SPORTS-INCLUDING MANY OF THE OLYMPIC TRACK AND FIELD SPORTS, WRESTLING, JUDO, JIU JITSU, KARATE, AND LACROSSE-HAVE RELIGIOUS ORIGINS, BUT HAVE NO RELIGIOUS OVERTONES AS PERFORMED IN SCHOOLS AND PROFESSIONALLY. A DECONSTRUCTION OF MALNAK V. YOGI, 592 F.2D 197 (3D CIR. 1979), THE CASE ON WHICH THE PLAINTIFFS PRIMARILY RELY, SHOWS THE CASE SUPPORTS THE POSITION OF THE SCHOOL DISTRICT AND DEFENDANTS.

THE FOUNDATION'S BRIEF IN THIS CASE (WHICH WAS CITED BY THE COURT) WAS IN THE PUBLIC INTERST BECAUSE THIS FIRST AMENDMENT "ESTABLISHMENT OF RELIGION" CASE EXPLORED A VERY SIGNIFICANT ISSUE OF WIDE IMPACT.

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23-2022920ADMISSIBILITY OF EXPERT EVIDENCE

IN 2014 ATLANTIC LEGAL CONTINUED ITS VIGOROUS ADVOCACY ON BEHALF OF THE APPLICATION OF CLEAR AND SOUND RULES FOR THE ADMISSIBILITY OF MEDICAL AND OTHER EXPERT TESTIMONY INVOLVING DIVERSE LITIGATION SETTINGS.

ASBESTOS CAUSATION: ROST V. FORD MOTOR COMPANY - SUPREME COURT OF PENNSYLVANIA

THIS IS AN APPEAL FROM A DECISION OF THE PENNSYLVANIA SUPERIOR COURT, THE INTERMEDIATE APPELLATE COURT IN PENNSYLVANIA, WHICH HELD THAT THE OPINION OF PLAINTIFFS' EXPERT ON MEDICAL CAUSATION WAS ADMISSIBLE, DESPITE THE FACT THAT THE EXPERT'S OPINION DOES NOT SATISFY THE LEGAL STANDARD ARTICULATED BY THE PENNSYLVANIA SUPREME COURT IN A LINE OF CASES, STARTING WITH GREGG V. V-J AUTO PARTS CO., 596 PA. 274, 943 A.2d 216 (2007) (REJECTING THE "FICTION THAT EACH AND EVERY EXPOSURE TO ASBESTOS, NO MATTER HOW MINIMAL IN RELATION TO OTHER EXPOSURES, IMPLICATES A FACT ISSUE CONCERNING SUBSTANTIAL-FACTOR CAUSATION"), AND CONTINUING WITH BETZ V. PNEUMO ABEX, LLC, 615 PA. 504, 552, 44 A.3d 27, 48 (2012) (THE "EVERY EXPOSURE" THEORY IS "FUNDAMENTALLY INCONSISTENT WITH BOTH SCIENCE AND THE GOVERNING STANDARD FOR LEGAL CAUSATION"), AND HOWARD V. A.W. CHESTERTON CO., 78 A.3d 605, 608 (2013) ("IN CASES INVOLVING DOSE-RESPONSIVE DISEASES, EXPERT WITNESSES MAY NOT IGNORE OR REFUSE TO CONSIDER DOSE AS A FACTOR IN THEIR OPINIONS").

THE ISSUE ATLANTIC LEGAL ADDRESSED WAS WHETHER-CONTRARY TO HOWARD, BETZ, AND GREGG - A PLAINTIFF IN AN ASBESTOS ACTION MAY SATISFY THE

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BURDEN OF ESTABLISHING SUBSTANTIAL-FACTOR CAUSATION BY AN EXPERT'S "CUMULATIVE-EXPOSURE" THEORY THAT THE EXPERT CONCEDES IS SIMPLY AN "ANY-EXPOSURE" THEORY BY A DIFFERENT NAME, A THEORY THAT THE PENNSYLVANIA SUPREME COURT HAS REPEATEDLY REJECTED.

MR. ROST WAS DIAGNOSED WITH MESOTHELIOMA. HIS CLAIM AGAINST FORD AROSE BECAUSE HE ALLEGED HE WAS EXPOSED TO ASBESTOS WHILE WORKING AT THE DEALERSHIP MORE THAN 60 YEARS EARLIER. MECHANICS AT THE FORD DEALERSHIP DID, AMONG OTHER WORK, BRAKES REPAIRS AND REPLACEMENT AND CLUTCH REPAIRS AND REPLACEMENTS WHICH CONTAINED ASBESTOS. BUT MR. ROST WAS NOT A MECHANIC. MR. ROST'S JOB INCLUDED SWEEPING UP DIRT AND DEBRIS IN THE DEALERSHIP'S SERVICE AREA. SIGNIFICANTLY, MR. ROST WAS EXPOSED TO SUBSTANTIAL AMOUNTS OF ASBESTOS IN SUBSEQUENT LONG-TERM JOBS AT A MANUFACTURER OF ELECTRIC PARTS AND AT A ELECTRIC UTILITY FOR 34 YEARS.

THE PLAINTIFFS' EXPERTS ASSERTED THAT THERE IS NO SAFE LEVEL OF ASBESTOS EXPOSURE, BASED ON A "CUMULATIVE EXPOSURES" THEORY, WHICH THEY CONCEDED WAS THE SAME AS THE "EVERY EXPOSURE" OPINION ADVANCED IN PRIOR ASBESTOS CASES.

THE TRIAL COURT INSTRUCTED THE JURY THAT IF THEY FOUND THAT THE FORD PRODUCTS IN QUESTION CONTAINED ASBESTOS AND THAT PLAINTIFF WAS EXPOSED TO THEM ON A REGULAR, FREQUENT, AND PROXIMATE BASIS, AND THIS EXPOSURE CONTRIBUTED TO THE PLAINTIFF'S MESOTHELIOMA, THEN THERE MUST BE A FINDING OF LIABILITY. THE JURY FOUND IN FAVOR OF PLAINTIFFS AWARDING THEM \$1,000,000 IN DAMAGES. THE SUPERIOR COURT AFFIRMED THE JURY VERDICT.

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THE FOUNDATIONS' AMICUS BRIEF ARGUED THAT, IN GREGG, THE PENNSYLVANIA SUPREME COURT HAD RULED THAT A PLAINTIFF IN AN ASBESTOS CASE MUST PRESENT "REASONABLY DEVELOPED SCIENTIFIC REASONING THAT WOULD SUPPORT THE CONCLUSION THAT THE PRODUCT SOLD BY THE DEFENDANT WAS A SUBSTANTIAL FACTOR IN CAUSING THE HARM" AND THAT THE COURT NOTED FURTHER THAT THE "FICTION THAT EACH AND EVERY EXPOSURE TO ASBESTOS, NO MATTER HOW MINIMAL IN RELATION TO OTHER EXPOSURES" IS NOT "REASONABLY DEVELOPED SCIENTIFIC REASONING." FURTHER, IN BETZ, THE SUPREME COURT WAS CRITICAL OF EXPERT OPINIONS WHICH FIND NO INDIVIDUAL DIFFERENCES IN THE POTENCY OF THE FIBER, THE CONCENTRATION OR INTENSITY OF THE FIBERS, OR THE DURATION OF EXPOSURE TO A PARTICULAR PRODUCT. THE PLAINTIFF'S EXPERT'S TESTIMONY IN BETZ THAT "EACH AND EVERY EXPOSURE TO ASBESTOS-NO MATTER HOW SMALL-CONTRIBUTES SUBSTANTIALLY TO THE DEVELOPMENT OF ASBESTOS-RELATED DISEASES" IS ESSENTIALLY NO DIFFERENT FROM THE TESTIMONY OF MR. ROST'S EXPERTS.

WE ALSO ARGUED THAT THE CLEAR AND EMPHATIC OPINION OF THE PENNSYLVANIA SUPREME COURT IN HOWARD SHOULD HAVE MADE CLEAR THAT, IN CASES INVOLVING DOSE-RESPONSIVE DISEASES, EXPERT WITNESSES MAY NOT IGNORE OR REFUSE TO CONSIDER DOSE AS A FACTOR IN THEIR OPINIONS; BARE PROOF OF SOME DE MINIMIS EXPOSURE TO A DEFENDANT'S PRODUCT IS INSUFFICIENT TO ESTABLISH SUBSTANTIAL-FACTOR CAUSATION FOR DOSE-RESPONSIVE DISEASES.

IN SHORT, THE FOUNDATION ARGUED THAT THE BETZ AND HOWARD DECISIONS SHOULD HAVE CLOSED THE DOOR TO THE "EVERY BREATH" OR "SINGLE FIBER" THEORY, BUT IN ROST THE LOWER COURTS SOUGHT TO AVOID THE PENNSYLVANIA SUPREME COURT'S HOLDINGS IN THE BETZ, GREGG AND HOWARD TRILOGY, BY PERMITTING PLAINTIFFS' EXPERTS TO ENGAGE IN A PURELY SEMANTIC CHANGE OF

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THE REJECTED "EVERY BREATH" OR "EACH FIBER" THEORY TO A "CUMULATIVE EXPOSURE" THEORY ACCORDING TO WHICH "EACH AND EVERY BREATH" "CONTRIBUTES" "SUBSTANTIALLY" TO CAUSING MESOTHELIOMA.

ATLANTIC LEGAL'S CONTINUED PARTICIPATION IN CASES IN WHICH WE ADVOCATE THE APPLICATION OF SOUND SCIENTIFIC PRINCIPLES BY COURTS AND EMPHASIZE THE VITAL "GATEKEEPING" ROLE OF JUDGES ARE IN THE PUBLIC INTEREST BECAUSE DECISIONS BASED ON LACK OF ACCURATE UNDERSTANDING OF THE RELEVANT SCIENCE DO NOT LEAD TO JUST VERDICTS.

ASBESTOS CAUSATION II: IZELL V. UNION CARBIDE CORPORATION - CALIFORNIA SUPREME COURT

PLAINTIFF BOBBIE IZELL WORKED AS A CEMENT CONTRACTOR IN THE 1950S AND AS A GENERAL CONTRACTOR BUILDING SMALL HOUSES IN THE LOS ANGELES AREA UNTIL HE RETIRED IN 1994. HE WAS DIAGNOSED WITH MESOTHELIOMA IN 2011, WHEN HE WAS 85 YEARS OLD.

IZELL ACKNOWLEDGED THAT HE DIDN'T WORK WITH ASBESTOS DIRECTLY, BUT HE ARGUED THAT HE WAS EXPOSED TO ASBESTOS DUST WHILE INSPECTING THE HOMES HIS CONSTRUCTION CREWS WORKED ON. BECAUSE HIS EXPOSURE TO ASBESTOS WAS RELATIVELY LOW, IT TOOK LONGER FOR THE CANCER TO DEVELOP, HE ARGUED.

A LOS ANGELES SUPERIOR COURT JURY INITIALLY AWARDED \$30 MILLION IN COMPENSATORY DAMAGES AGAINST FIVE DEFENDANTS-INCLUDING UNION CARBIDE, WHICH WAS ASSESSED 65 PERCENT OF THE FAULT-TO BOBBIE IZELL AND HIS

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WIFE, AND AWARDED THE \$18 MILLION IN PUNITIVE DAMAGES AGAINST UNION CARBIDE ALONE. THE PLAINTIFFS ACCEPTED A REDUCTION OF THE COMPENSATORY DAMAGES TO \$6 MILLION.

UNION CARBIDE ARGUED THAT THE VERDICT SHOULD BE OVERTURNED AS TO BOTH LIABILITY AND DAMAGES. THERE WAS INSUFFICIENT EVIDENCE LINKING IZELL'S ILLNESS TO A UNION CARBIDE PRODUCT, THEY ARGUED, AND THE DAMAGES WERE EXCESSIVE.

THE CALIFORNIA COURT OF APPEAL HELD THAT AN ASBESTOS PLAINTIFF CAN ESTABLISH CAUSATION AND HOLD A DEFENDANT LIABLE FOR DAMAGES MERELY BY SHOWING THAT HE INHALED SOME AMOUNT OF ASBESTOS FROM A DEFENDANT'S PRODUCT—NO MATTER HOW SMALL THE AMOUNT. THE CAUSAL LINK BETWEEN IZELL'S EXPOSURE TO THE UNION CARBIDE PRODUCT AND HIS ILLNESS, THE COURT OF APPEAL HELD, WAS ESTABLISHED BY THE PLAINTIFF'S TESTIMONY THAT HE SAW HIS WORKERS APPLY JOINT COMPOUND CONTAINING UNION CARBIDE ASBESTOS MATERIAL IN ITS WET FORM AND THEN SAND THE DRIED PRODUCT, CREATING DUST WHEN IT BECAME AIRBORNE AND WHICH MR. IZELL INHALED.

THE \$18 MILLION IN PUNITIVE DAMAGES WAS NOT EXCESSIVE, THE COURT OF APPEAL RULED, BECAUSE UNION CARBIDE "ACTED WITH A REPREHENSIBLE INDIFFERENCE TO THE HEALTH AND SAFETY OF OTHERS," INCLUDING PLAINTIFF IZELL, WHEN IT CONCEALED INTERNAL STUDIES ESTABLISHING THAT EVEN BRIEF EXPOSURE TO ASBESTOS CAUSED CANCER.

THE FOUNDATION FILED AN AMICUS LETTER BRIEF IN SUPPORT OF UNION CARBIDE'S PETITION FOR REVIEW BY THE CALIFORNIA SUPREME COURT BECAUSE THE DECISION OF THE COURT OF APPEAL IS INCONSISTENT WITH THE ALREADY

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LAX LEGAL STANDARD ARTICULATED BY THE CALIFORNIA SUPREME COURT IN RUTHERFORD V. OWENS, ILLINOIS, INC., 16 CAL.4TH 953 (1997) AND BECAUSE THE OPINION OF PLAINTIFFS' EXPERT ON MEDICAL CAUSATION DOES NOT SATISFY THAT STANDARD. THE COURT OF APPEAL, BY HOLDING THAT PLAINTIFFS MET THEIR BURDEN MERELY BY PRESENTING EXPERT TESTIMONY THAT EVERY EXPOSURE TO THE DEFENDANT'S RESPIRABLE ASBESTOS FIBERS CONTRIBUTES TO THE PLAINTIFFS TOTAL EXPOSURE AND THEREFORE ANY EXPOSURE, NO MATTER THE QUANTITY OR FIBER TYPE, SHOULD BE DEEMED A SUBSTANTIAL FACTOR CONTRIBUTING TO THE PLAINTIFF'S RISK OF DEVELOPING MESOTHELIOMA, MISCONSTRUED RUTHERFORD.

ATLANTIC LEGAL'S CONTINUED PARTICIPATION IN CASES IN WHICH WE ADVOCATE THE APPLICATION OF SOUND SCIENTIFIC PRINCIPLES BY COURTS AND EMPHASIZE THE VITAL "GATEKEEPING" ROLE OF JUDGES ARE IN THE PUBLIC INTEREST BECAUSE DECISIONS BASED ON LACK OF ACCURATE UNDERSTANDING OF THE RELEVANT SCIENCE DO NOT LEAD TO JUST VERDICTS.

JUDGE'S GATEKEEPING DUTY: ACCENTURE LLP V. WELLOGIX, INC. - UNITED STATES SUPREME COURT

IN APRIL, ATLANTIC LEGAL FILED AN AMICUS BRIEF ON ITS OWN BEHALF AND ON BEHALF OF THE FEDERATION OF DEFENSE & CORPORATE COUNSEL, (WHICH HAS AN INTERNATIONAL MEMBERSHIP OF 1,400 DEFENSE AND CORPORATE COUNSEL) AND THE INTERNATIONAL ASSOCIATION OF DEFENSE COUNSEL, AN ASSOCIATION OF CORPORATE AND INSURANCE ATTORNEYS FROM THE UNITED STATES AND AROUND THE GLOBE WHOSE PRACTICE IS CONCENTRATED ON THE DEFENSE OF CIVIL LAWSUITS,

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IN ACCENTURE LLP V. WELLOGIX, INC., AN IMPORTANT CASE INVOLVING THE ADMISSIBILITY OF EXPERT EVIDENCE. BECAUSE OF "ATLANTIC LEGAL FOUNDATION'S SIGNIFICANT ROLE" IN IMPORTANT "CAUSATION" CASES, WE WERE ASKED BY A PROMINENT SUPREME COURT PRACTITIONER TO FILE AN AMICUS BRIEF IN SUPPORT OF A PETITION FOR CERTIORARI.

THE ACCENTURE CASE INVOLVED ALLEGATIONS OF THEFT OF TRADE SECRETS-COMPUTER CODE-FROM AN OIL-INDUSTRY SERVICES START-UP BY A VERY LARGE CONSULTING FIRM, FOR USE BY A MAJOR INTERNATIONAL OIL COMPANY.

THE KEY WITNESS FOR THE PLAINTIFF WAS A COMPUTER PROGRAMMING EXPERT WHO TESTIFIED THAT HE HAD "FORENSIC EVIDENCE" THAT ACCENTURE HAD COPIED COMPUTER CODE CREATED BY WELLOGIX IN SOFTWARE THAT WOULD COMPUTERIZE HERETOFORE HANDWRITTEN PURCHASE AND SERVICE ORDERS FOR COMPLEX OIL AND GAS DRILLING PROJECTS.

FEDERAL RULE OF EVIDENCE 702 PROVIDES THAT A WITNESS "WHO IS QUALIFIED AS AN EXPERT" MAY TESTIFY ONLY IF "THE TESTIMONY IS BASED ON SUFFICIENT FACTS OR DATA" AND "THE EXPERT HAS RELIABLY APPLIED THE PRINCIPLES AND METHODS TO THE FACTS OF THE CASE." THE QUESTION PRESENTED IN THIS CASE WAS WHETHER RULE 702 REQUIRED A COURT, AND NOT THE JURY, TO DECIDE WHETHER EXPERT TESTIMONY IS "BASED ON SUFFICIENT FACTS OR DATA" AND "RELIABLY APPLIE[S] . . . PRINCIPLES AND METHODS TO THE FACTS OF THE CASE," AND TO SET ASIDE A JURY VERDICT THAT RESTS ON EXPERT TESTIMONY THAT FAILS TO MEET THESE FUNDAMENTAL REQUIREMENTS.

THE SUPREME COURT IN ITS LANDMARK DAUBERT V. MERRELL DOW PHARM., INC., 509 U.S. 579, 595 (1993) DECISION RECOGNIZED THAT "EXPERT EVIDENCE CAN BE BOTH POWERFUL AND QUITE MISLEADING BECAUSE OF THE DIFFICULTY IN

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EVALUATING IT" AND CASE OUTCOMES OFTEN TURN ON EXPERT EVIDENCE. GEN. ELEC. CO. V. JOINER, 522 U.S. 136, 143 (1997). THUS, THE FEDERAL RULES OF EVIDENCE AND THE SUPREME COURT'S CASES DEMAND THAT EXPERT TESTIMONY BE CAREFULLY SCRUTINIZED BY THE COURT BEFORE IT REACHES THE JURY. FED. R. EVID. 702; DAUBERT, 509 U.S. AT 592-97.

FREQUENTLY, HOWEVER, COURTS ARE ABDICATING THIS ESSENTIAL "GATEKEEPING" DUTY BY PASSING QUESTIONS THAT THE COURT MUST RESOLVE AT THE ADMISSIBILITY STAGE TO THE JURY TO WEIGH AS A PART OF THE MERITS DETERMINATION, ON THE THEORY THAT (AS IN PRE-DAUBERT JURISPRUDENCE) "VIGOROUS CROSS-EXAMINATION" WILL ADEQUATELY PROTECT THE RECORD. THIS CASE IS A PARADIGMATIC EXAMPLE. PLAINTIFF'S SUIT FOR MISAPPROPRIATION OF TRADE SECRETS HINGED ENTIRELY ON A SOFTWARE EXPERT WHOSE TESTIMONY WAS DECISIVE, BUT IN KEY ASPECTS INADMISSIBLE BECAUSE HIS TESTIMONY WENT FAR BEYOND AN ANALYSIS OF SOFTWARE, AND INCLUDED LEGAL CONCLUSIONS AS TO WHAT INFORMATION WAS A TRADE SECRET, WHETHER THE DEFENDANT HAD MISAPPROPRIATED THOSE TRADE SECRETS, AND THE ECONOMIC IMPACT OF THAT ALLEGED MISAPPROPRIATION ON THE PLAINTIFF'S BUSINESS SECRETS, DESPITE THE FACT THAT THE EXPERT HAD NO FIRSTHAND KNOWLEDGE OF THE UNDERLYING FACTS, NO EXPERTISE IN THE OIL AND GAS INDUSTRY, AND NO BACKGROUND IN APPRAISING BUSINESSES OR ASSESSING DAMAGES, AND NO FACTUAL BASIS FOR HIS OPINION.

UNFORTUNATELY, IN THE ACCENTURE CASE, THE DISTRICT COURT AND COURT OF APPEALS "PUNTED" ON THE KEY ADMISSIBILITY ISSUE AND LEFT IT TO THE JURY TO DECIDE WHETHER THE COMPUTER EXPERT'S TESTIMONY WAS RELIABLE. ACCORDING TO THOSE COURTS, CROSS-EXAMINATION IS THE PROPER CHECK ON WAYWARD EXPERTS, AND ANY DEFECTS IN AN EXPERT'S TESTIMONY CAN BE SORTED

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OUT BY THE JURY. THESE DECISIONS ARE PART OF A GROWING TREND IN WHICH MANY COURTS ARE TURNING A BLIND EYE TO RULE 702'S REQUIREMENTS, AND FAULTY EXPERT TESTIMONY IS REACHING JURORS UNDER THE RATIONALE THAT ITS DEFICIENCIES GO TO THE WEIGHT OF THE TESTIMONY, NOT ITS ADMISSIBILITY.

THE THRUST OF ATLANTIC LEGAL'S BRIEF WAS THAT THE DAUBERT TRILOGY AND AMENDED RULE 702 REPRESENT A SHIFT AWAY FROM JUDICIAL "DEFERENCE" TO EXPERTS' CONCLUSORY OPINIONS TOWARD A "PEDAGOGICAL MODEL" FOR EVALUATING EXPERT TESTIMONY, WHICH REQUIRES THE TRIAL JUDGE TO UNDERSTAND THE FACTS UNDERLYING AND THE REASONING BEHIND THE EXPERT'S CONCLUSIONS. LIKEWISE, IF THE EXPERT'S TESTIMONY GOES BEFORE A JURY, THE JURY NEEDS TO BE ABLE TO APPLY THE EXPERT'S METHODOLOGY TO THE FACTS BEFORE THEM. IN THIS CASE, THE TRIAL JUDGE ADMITTED THAT HE FOUND IT "VERY HARD. . . TO FOLLOW" THE TESTIMONY OF WELLOGIX'S EXPERT, NOTWITHSTANDING THAT THE TRIAL JUDGE HAD ALREADY PRESIDED OVER AN ARBITRATION INVOLVING SIMILAR ISSUES ARISING OUT OF THE SAME TRANSACTIONS, BUT DIFFERENT PARTIES, AND HAD ALREADY HEARD EVIDENCE ABOUT WELLOGIX'S COMPUTER CODE. IT WAS ILLOGICAL FOR THE DISTRICT COURT TO BELIEVE THAT A LAY JURY WOULD BE ABLE TO SORT OUT THAT TESTIMONY AND REACH AN INFORMED JUDGMENT.

ATLANTIC LEGAL'S CONTINUED PARTICIPATION IN CASES IN WHICH WE ADVOCATE THE APPLICATION OF SOUND SCIENTIFIC PRINCIPLES BY COURTS AND EMPHASIZE THE VITAL "GATEKEEPING" ROLE OF JUDGES ARE IN THE PUBLIC INTEREST BECAUSE DECISIONS BASED ON LACK OF ACCURATE UNDERSTANDING OF THE RELEVANT SCIENCE DO NOT LEAD TO JUST VERDICTS.

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JUDGE'S GATEKEEPER DUTY II: CITY OF POMONA V. SQM NORTH AMERICA CORP. -UNITED STATES SUPREME COURT

THE FOUNDATION FILED AN AMICUS BRIEF IN SUPPORT OF A PETITION FOR CERTIORARI SEEKING U. S. SUPREME COURT REVIEW OF THE NINTH CIRCUIT'S DECISION IN CITY OF POMONA V. SQM NORTH AMERICA CORP., 750 F.3D 1036 (9TH CIR. 2014). THE ISSUE IS A PROTOTYPICAL "DAUBERT" QUESTION: DID THE NINTH CIRCUIT CORRECTLY REVERSE THE TRIAL COURT'S EXERCISE OF ITS "GATEKEEPER" ROLE IN EXCLUDING UNRELIABLE SCIENTIFIC EXPERT TESTIMONY UNDER DAUBERT V. MERRELL DOW PHARMS., INC., 509 U.S. 579 (1993), AND FEDERAL RULE OF EVIDENCE 702.

THIS CASE AROSE OUT OF FINDINGS THAT THE CITY OF POMONA'S WATER SUPPLY CONTAINS PERCHLORATE ABOVE THE LIMIT ESTABLISHED BY CALIFORNIA REGULATORY AUTHORITIES. PERCHLORATE HAS BEEN ALLEGED TO AFFECT IODINE UPTAKE BY THE THYROID. SYNTHETIC PERCHLORATE IS WIDELY USED BY THE MILITARY AND BY ITS AEROSPACE INDUSTRY CONTRACTORS AS AN OXIDIZER IN SOLID ROCKET FUEL, AND IT IS ALSO USED IN NUMEROUS COMMERCIAL PRODUCTS, INCLUDING EXPLOSIVES AND AIRBAGS. THE FEDERAL GOVERNMENT AND GOVERNMENT CONTRACTORS HAVE INCURRED SUBSTANTIAL LIABILITY FOR PERCHLORATE CONTAMINATION. PERCHLORATE IS ALSO FOUND NATURALLY IN SOIL, GROUNDWATER, AND SEAWATER WORLDWIDE.

THE PRINCIPAL ISSUE IN THIS CASE IS WHETHER THE CITY'S IDENTIFICATION OF THE SOURCE OF THE PERCHLORATE IN ITS WATER SUPPLY AS THE ATACAMA DESERT OF CHILE IS SCIENCE-BASED. SQM NORTH AMERICA'S PARENT COMPANY IS A PRINCIPAL PRODUCER OF PERCHLORATE FROM THE ATACAMA DESERT AND SQM

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NORTH AMERICA SELLS CHILEAN PERCHLORATE IN THE UNITED STATES, ALTHOUGH IT CEASED SELLING IT IN CALIFORNIA DECADES AGO. POMONA ATTRIBUTES THE PERCHLORATE IN ITS WATER SUPPLY TO LOCAL USE OF CHILEAN FERTILIZERS CONTAINING NATURAL PERCHLORATE DURING THE FIRST HALF OF THE TWENTIETH CENTURY. SQM BEGAN DISTRIBUTING CHILEAN FERTILIZER IN THE U.S. IN 1927, BUT THERE IS NO DIRECT EVIDENCE THAT ITS PRODUCTS WERE EVER USED IN POMONA.

POMONA'S CASE RESTED ON THE TESTIMONY OF AN EXPERT WHO TESTIFIED THAT HE HAD DEVELOPED AND APPLIED A COMPLEX, MULTI-STEP FORM OF "STABLE ISOTOPE ANALYSIS" TO IDENTIFY CHILEAN PERCHLORATE AS THE DOMINANT SOURCE OF PERCHLORATE IN POMONA'S GROUNDWATER. THE EXPERT ADMITTED THAT NO OTHER LABORATORY EMPLOYS HIS APPROACH, AND A DEPARTMENT OF DEFENSE GUIDANCE MANUAL, CO-AUTHORED BY THE EXPERT AND ONLY ISSUED ON THE EVE OF TRIAL, ACKNOWLEDGES THAT THE EXPERT'S METHOD REMAINS UNDER DEVELOPMENT AND HAS NOT BEEN VERIFIED THROUGH INDEPENDENT TESTING BY OTHER LABORATORIES.

AFTER A DAUBERT HEARING, THE DISTRICT COURT, IN A VERY BRIEF DECISION, EXCLUDED THE CITY'S EXPERT'S EVIDENCE. THE NINTH CIRCUIT REVERSED.

IN OUR AMICUS BRIEF IN SUPPORT OF THE PETITION FOR CERTIORARI, THE FOUNDATION ARGUED THAT THE NINTH CIRCUIT PANEL DECISION IGNORES THE SUPREME COURT'S RULING IN KUMHO TIRE V. CARMICHAEL, 526 U.S. 137 (1999) THAT THE QUESTION WAS NOT ONLY RELIABILITY OF AN EXPERT'S METHODOLOGY IN GENERAL, BUT RATHER ALSO WHETHER THE EXPERT RELIABLY APPLIED THE THEORY TO THE SPECIFIC FACTS OF THE CASE, AND THAT IN KUMHO "THERE [WAS] NO INDICATION IN THE RECORD THAT OTHER EXPERTS IN THE INDUSTRY

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USE [THE EXPERT'S] APPROACH. . ." (526 U.S. AT 154) AND IN GENERAL ELECTRIC V. JOINER, 522 U.S. 136 (1997) THE COURT HELD THAT "NOTHING IN EITHER DAUBERT OR THE FEDERAL RULES OF EVIDENCE REQUIRES A DISTRICT COURT TO ADMIT OPINION EVIDENCE THAT IS CONNECTED TO EXISTING DATA ONLY BY THE IPSE DIXIT OF THE EXPERT." (522 U.S. 136, 146). THE 2000 AMENDMENT TO RULE 702 REQUIRES THE TRIAL COURT TO DETERMINE THAT THE EXPERT'S TESTIMONY "IS THE PRODUCT OF RELIABLE PRINCIPLES AND METHODS," AND THAT THE TESTIMONY "IS BASED ON SUFFICIENT FACTS OR DATA" AND THAT "THE EXPERT HAS RELIABLY APPLIED THE PRINCIPLES AND METHODS TO THE FACTS OF THE CASE." WE ARGUED FURTHER THAT THE NINTH CIRCUIT'S HOLDING RESTS ON A RIGID DISTINCTION BETWEEN AN EXPERT'S "METHODOLOGY" AND "CONCLUSIONS," A DISTINCTION WHICH THE SUPREME COURT REJECTED IN GENERAL ELEC. CO. V. JOINER, ("CONCLUSIONS AND METHODOLOGY ARE NOT ENTIRELY DISTINCT FROM ONE ANOTHER") AND KUMHO TIRE CO. V. CARMICHAEL (TRIAL COURT MUST DETERMINE RELIABILITY WHERE EXPERT "TESTIMONY'S FACTUAL BASIS, DATA, PRINCIPLES, METHODS, OR THEIR APPLICATION ARE CALLED SUFFICIENTLY INTO QUESTION"). TO PROTECT THE TRUTH-SEEKING FUNCTION OF THE JUDICIAL SYSTEM, TRIAL COURTS SHOULD EXCLUDE EXPERT TESTIMONY WHERE "ANY STEP" IN THE EXPERT'S APPLICATION OF HIS OR HER CHOSEN METHODOLOGY IS UNRELIABLE AND, THUS, RENDERS THE ANALYSIS ITSELF UNRELIABLE.

ATLANTIC LEGAL'S CONTINUED PARTICIPATION IN CASES IN WHICH WE ADVOCATE THE APPLICATION OF SOUND SCIENTIFIC PRINCIPLES BY COURTS AND EMPHASIZE THE VITAL "GATEKEEPING" ROLE OF JUDGES ARE IN THE PUBLIC INTEREST BECAUSE DECISIONS BASED ON LACK OF ACCURATE UNDERSTANDING OF THE RELEVANT SCIENCE DO NOT LEAD TO JUST VERDICTS.

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23-2022920OTHER NOTABLE CASES

CHALLENGING THE IRS: WFC HOLDINGS CORP. V. UNITED STATES - UNITED STATES SUPREME COURT; AMERICAN INTERNATIONAL GROUP V. UNITED STATES - SECOND CIRCUIT COURT OF APPEALS

IN TWO CASES, ONE A PETITION FOR CERTIORARI TO THE SUPREME COURT OF THE UNITED STATES AND THE OTHER AN APPEAL TO THE SECOND CIRCUIT COURT OF APPEALS, THE FOUNDATION SUPPORTED TAXPAYERS CHALLENGING THE AGGRESSIVE AND ARBITRARY APPLICATION BY THE INTERNAL REVENUE SERVICE OF THE "SHAM TRANSACTION" DOCTRINE (SOMETIMES ALSO REFERRED TO AS THE "ECONOMIC SUBSTANCE DOCTRINE"). THIS COMMON-LAW DOCTRINE ALLOWS THE IRS TO DISREGARD A TRANSACTION THAT COMPLIES WITH THE INTERNAL REVENUE CODE ONLY IF IT IS A "PURE PAPER SHUFFLE" THAT DOES NOT CHANGE THE TAXPAYER'S ECONOMIC POSITION APART FROM TAXES.

IN THE CASE THAT WAS THE SUBJECT OF THE SUPREME COURT PETITION, THE IRS CHALLENGED AS A SHAM TRANSACTION THE TRANSFER BY WELLS FARGO HOLDINGS OF UNDER-PERFORMING LEASE OBLIGATIONS FROM A BANK TO A BANKING AFFILIATE THAT GENERATED TENS OF MILLIONS OF DOLLARS OF PROFITS (FAR IN EXCESS OF TRANSACTION COSTS). IN SUPPORT OF WELLS FARGO THE FOUNDATION ARGUED THAT A TAXPAYER IS PERMITTED, UNDER THE SHAM TRANSACTION DOCTRINE, TO STRUCTURE AN OBJECTIVELY PROFITABLE TRANSACTION SO AS TO ACHIEVE TAX BENEFITS PROVIDED FOR IN THE TRADE, EVEN IF EACH STEP IS NOT INDEPENDENTLY PROFITABLE. UNFORTUNATELY, THE SUPREME COURT DENIED REVIEW IN JUNE, 2014.

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IN THE SECOND CIRCUIT CASE, THE FOUNDATION'S AMICUS BRIEF SUPPORTED AMERICAN INTERNATIONAL GROUP IN ITS CHALLENGE TO THE INTERNAL REVENUE SERVICE'S APPLICATION OF THE "ECONOMIC SUBSTANCE DOCTRINE" IN A CASE INVOLVING FOREIGN TAX CREDITS. THE INTERNAL REVENUE CODE ALLOWS U.S. TAXPAYERS WHO HAVE ALREADY PAID TAXES ON INCOME IN A FOREIGN COUNTRY TO CLAIM A "FOREIGN TAX CREDIT" FOR THE TAXES PAID, SO AS TO AVOID "DOUBLE TAXATION". THE IRS ASSERTED THAT THE TRANSACTIONS IN QUESTION LACKED ECONOMIC SUBSTANCE, BECAUSE THEY DID NOT HAVE A PURPOSE OR UTILITY APART FROM THEIR ANTICIPATED TAX CONSEQUENCES, AND THUS CAN BE DISREGARDED FOR TAX PURPOSES. THE TAXPAYER, AIG, ARGUED THAT THE TRANSACTIONS AT ISSUE WERE LEGITIMATE EXAMPLES OF BANKING ACTIVITIES AND HAD ECONOMIC SUBSTANCE BECAUSE THEY WERE EXPECTED TO GENERATE A PRE-TAX PROFIT OVER THE LIFE OF THE TRANSACTIONS IN THE TENS OF MILLIONS OF DOLLARS.

THE FOUNDATION'S BRIEF SUPPORTING AIG'S APPEAL ARGUED THAT TAXPAYERS NEED TO MINIMIZE UNCERTAINTY IN PLANNING TRANSACTIONS, AND THAT UNCERTAIN APPLICATION OF THE TAX LAW MAKES IT IMPOSSIBLE FOR TAXPAYERS TO PLAN FOR THE FUTURE AND THEY ARE GENERALLY ENTITLED TO MAKE BUSINESS PLANS IN RELIANCE ON THE TAX LAWS AS WRITTEN, WITHOUT BEING SECOND-GUESSED BECAUSE OF THEIR DESIRE TO STRUCTURE THE TRANSACTION IN A WAY THAT MINIMIZES THEIR TAX OBLIGATIONS.

THE FOUNDATION'S BRIEFS IN THESE CASES WERE IN THE PUBLIC INTEREST BECAUSE THE "ECONOMIC SUBSTANCE DOCTRINE" - WHICH IS ALWAYS APPLIED RETROACTIVELY -- CAN, IF USED INCORRECTLY, DISCOURAGE FINANCIAL ARRANGEMENTS WHICH PROMOTE BENEFICIAL INTERNATIONAL TRANSACTIONS.

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LIMITING THE "NON-DELEGABLE DUTY" DOCTRINE: KAM WAY TRANSPORTATION, INC. v. SUPERIOR COURT (CHAVEZ) - CALIFORNIA SUPREME COURT

THE EXPANSION OF VICARIOUS LIABILITY IS OF PARTICULAR INTEREST BECAUSE IT THREATENS THE VIABILITY OF SMALL AND MEDIUM SIZED FIRMS THAT ACT AS INTERMEDIARIES AND WHICH PROMOTE EFFICIENCY IN A VITAL INDUSTRY, THE TRANSPORTATION OF GOODS BY TRUCK, AND COULD DIMINISH COMPETITION.

THE CASE AROSE OUT OF A TRUCK ACCIDENT IN WHICH THE OWNER-DRIVER OF A TRACTOR-TRAILER TRUCK CARRYING A CARGO OF FRUIT ON AN INTERSTATE DELIVERY FROM WASHINGTON TO ARIZONA CAUSED AN ACCIDENT IN WHICH A PASSENGER IN THE CAB OF THE TRUCK WAS INJURED. THE PASSENGER, CHAVEZ, WAS BEING TRAINED AS A TRUCK DRIVER BY THE OWNER-OPERATOR AND WAS ASSISTING THE OWNER-OPERATOR ON THIS TRIP. CHAVEZ SOUGHT TO RECOVER FOR HIS INJURIES FROM THE DRIVER (SINGH), THE MOTOR CARRIER (HSD) AND KAM-WAY TRANSPORTATION (THE TRUCK "BROKER").

KAM-WAY TRANSPORTATION IS A FREIGHT OR TRUCK BROKER, WHICH ACTED AS AN INTERMEDIARY BETWEEN THE OWNER OF THE CARGO AND THE MOTOR CARRIER. KAM-WAY EXERCISED NO OWNERSHIP OR OPERATIONAL CONTROL OVER THE TRACTOR-TRAILER OR THE CARGO.

UNDER CALIFORNIA LAW, EMPLOYERS ARE GENERALLY NOT LIABLE FOR INJURIES TO THIRD PARTIES DUE TO THE NEGLIGENT ACTS OF AN INDEPENDENT CONTRACTOR. AN EXCEPTION IS THE "NON-DELEGABLE DUTY" DOCTRINE, UNDER

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WHICH ONE WHO ENTRUSTS WORK TO AN INDEPENDENT CONTRACTOR, BUT WHO RETAINS THE CONTROL OF ANY PART OF THE WORK, IS SUBJECT TO LIABILITY FOR PHYSICAL HARM TO OTHERS FOR WHOSE SAFETY THE EMPLOYER OWES A DUTY TO EXERCISE REASONABLE CARE, WHICH IS CAUSED BY HIS FAILURE TO EXERCISE HIS CONTROL WITH REASONABLE CARE. THIS TYPE OF VICARIOUS LIABILITY APPLIED ONLY TO CERTAIN SPECIFIC GROUPS, INCLUDING MOTOR CARRIERS.

UNLIKE MOTOR CARRIERS, TRUCKING (OR "FREIGHT") BROKERS ARE BUSINESSES THAT DO NOT ACTUALLY TRANSPORT GOODS, BUT SIMPLY MATCH VARIOUS COMPANIES WHICH NEED GOODS SHIPPED WITH INDEPENDENT MOTOR CARRIERS. PRIOR TO THIS CASE, CALIFORNIA'S NON-DELEGABLE DUTY DOCTRINE HAD NEVER BEEN APPLIED TO TRUCK BROKERS. MULTIPLE OTHER JURISDICTIONS HAVE CLEARLY HELD THAT TRUCK BROKERS SHOULD NOT BE HELD VICARIOUSLY LIABLE FOR THE ACTS OF TRUCK OPERATORS/DRIVERS WITH WHOM THEY CONTRACT.

IN THE TRIAL COURT KAM-WAY MOVED FOR SUMMARY JUDGMENT, ARGUING THAT KAM-WAY ACTED ONLY AS A TRUCK BROKER, NOT A MOTOR CARRIER, AND THAT SINCE SINGH WAS ACTING AS AN INDEPENDENT CONTRACTOR, KAM-WAY WAS NOT LIABLE FOR SINGH'S ACTIONS. THE TRIAL COURT DENIED KAM-WAY'S MOTION FOR SUMMARY JUDGMENT SOLELY BECAUSE IT FOUND A TRIABLE ISSUE OF FACT AS TO WHETHER KAM-WAY HAD BREACHED A "NON-DELEGABLE DUTY OF CARE" TO CHAVEZ. THE TRIAL COURT ACKNOWLEDGED THAT THE "NONDELEGABLE DUTY DOCTRINE HAD ONLY BEEN APPLIED TO CARRIERS, BUT DETERMINED FOR THE FIRST TIME THAT "THE ARTICULATED [NON-DELEGABLE DUTY] RULE THAT APPLIES TO CARRIERS, SHOULD APPLY TO BROKERS . . . AS A MATTER OF PUBLIC POLICY."

KAM-WAY SOUGHT A WRIT OF MANDATE DIRECTING THE TRIAL COURT TO GRANT THE SUMMARY JUDGMENT MOTION, ARGUING THAT THE WRIT IS NECESSARY BECAUSE IF

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THE TRIAL PROCEEDS AGAINST IT BASED ON A NOVEL APPLICATION OF LAW, IT WILL BE "IRRESISTIBLY PRESSURED TO SETTLE BASED SOLELY ON THE MAGNITUDE OF THE POTENTIAL FINANCIAL EXPOSURE." THE COURT OF APPEAL SUMMARY DENIED KAM-WAY'S MOTION. KAM-WAY FILED A PETITION FOR REVIEW IN THE CALIFORNIA SUPREME COURT.

IN AN "AMICUS LETTER BRIEF" TO THE CALIFORNIA SUPREME COURT ATLANTIC LEGAL URGED THAT COURT TO GRANT REVIEW. WE ARGUED THAT A TRIAL COURT SHOULD NOT DECIDE A NOVEL APPLICATION OF LAW AND THAT ONLY THE CALIFORNIA SUPREME COURT SHOULD MAKE THIS JUDICIAL POLICY DETERMINATION. WE POINTED OUT THAT THE CALIFORNIA APPELLATE COURTS HAD NEVER BEFORE HELD THAT A FREIGHT OR TRUCK BROKER CAN BE HELD VICARIOUSLY LIABLE FOR THE ACTS OF AN INDEPENDENT CONTRACTOR MOTOR CARRIER UNDER THE NONDELEGABLE DUTY DOCTRINE AND THAT THE CASE RELIED UPON BY THE TRIAL COURT HELD ONLY THAT CARRIERS HAVE A NONDELEGABLE DUTY. WE ALSO POINTED OUT THAT THE SUPERIOR COURT'S POLICY DETERMINATION IS LIKELY TO HAVE AN ENORMOUS IMPACT ON THE ECONOMY. ACCORDING TO THE U. S. DEPARTMENT OF TRANSPORTATION, OF ALL THE GOODS SHIPPED IN THE UNITED STATES IN CALENDAR YEAR 2012, 70% OF TOTAL TONS WAS SHIPPED BY TRUCK.

EXTENDING THE NONDELEGABLE DUTY DOCTRINE TO BROKERS WILL INCREASE THE COSTS OF TRUCK TRANSPORTATION, BECAUSE AT THE VERY LEAST BROKERS WILL HAVE TO INSURE AGAINST VICARIOUS LIABILITY (ASSUMING SUCH INSURANCE IS AVAILABLE) AND THAT COST WILL BE PASSED ON TO SHIPPERS AND CONSUMERS. IF SUCH INSURANCE IS NOT AVAILABLE, OR AVAILABLE ONLY AT PROHIBITIVE COST, MANY SMALL AND MEDIUM-SIZED BROKERS WILL LIKELY BE DRIVEN OUT OF BUSINESS, REDUCING COMPETITION AND DIMINISHING THE AVAILABILITY OF A

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USEFUL, AND IN MANY CASES, VITAL, SERVICE.

ATLANTIC LEGAL'S PARTICIPATION IN THIS CASE WAS IN THE PUBLIC INTEREST BECAUSE THE EXPANSION OF VICARIOUS LIABILITY IN TORT LAW CAN CREATE A DISCONNECT BETWEEN BEHAVIOR AND LIABILITY AND CAN, AS IN THIS CASE, BE DEVASTATING TO SMALL BUSINESSES WHICH ARE THE ENGINE OF ECONOMIC GROWTH.

#### CHARTER SCHOOL ADVOCACY

DURING 2014, ATLANTIC LEGAL FOUNDATION CONTINUED TO ASSIST CHARTER SCHOOLS AND THEIR ADVOCATES IN A VARIETY OF SETTINGS AND RESPONDED TO REQUESTS FOR LEGAL ASSISTANCE AND GUIDANCE. THE MOST VISIBLE PROJECT INVOLVED A FEDERAL JURISDICTIONAL ISSUE: DOES THE NATIONAL LABOR RELATIONS ACT APPLY TO CHARTER SCHOOLS OR ARE THEY EXEMPT FROM COVERAGE AS POLITICAL SUBDIVISIONS? THE FOUNDATION PUBLISHED A BULLETIN (AVAILABLE AT [WWW.ATLANTICLEGAL.ORG](http://WWW.ATLANTICLEGAL.ORG)) ALERTING NEW YORK CHARTERS TO THE ISSUE, EXPLAINING THAT NLRA JURISDICTION WOULD REQUIRE UNIONS TO SUBMIT TO SECRET BALLOT ELECTIONS IN THEIR EFFORTS TO ORGANIZE CHARTER SCHOOL EMPLOYEES. TO DATE, MOST UNIONS HAVE TAKEN ADVANTAGE OF CARD CHECK PROCEDURES (OFTEN ABUSED BY UNIONS) PERMITTED UNDER STATE LAW.

THE FOUNDATION'S ASSISTANCE TO CHARTER SCHOOLS AND THE CHARTER SCHOOL MOVEMENT IS IN THE PUBLIC INTEREST BECAUSE INNOVATIVE ALTERNATIVES TO FAILING PUBLIC SCHOOLS ARE IMPORTANT TO THE SOUND EDUCATION OF OUR CHILDREN, AND ESPECIALLY POOR, INNER-CITY STUDENTS.

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THE ISSUE OF FEDERAL WETLANDS JURISDICTION IS CONTROVERSIAL BECAUSE IT ENABLES TWO FEDERAL AGENCIES, EPA AND THE CORPS TO EXTENSIVELY AND INTENSIVELY REGULATE LAND USE DOWN TO INDIVIDUAL LOTS, AND, IN EFFECT, TO OVERRIDE LOCAL ZONING AND LAND USE REGULATION AND TO USE THEIR PERMITTING PROCESS TO MICRO-MANAGE DEVELOPMENT ON PRIVATE LAND THROUGHOUT THE COUNTRY, EVEN IN AREAS THAT ARE NOT, AT LEAST IN THE COMMON-SENSE MEANING, "WETLANDS."

THE FOUNDATION FILED EXTENSIVE COMMENTS CRITIQUING THE ENVIRONMENTAL PROTECTION AGENCY'S PROPOSED RULE "'WATERS OF THE UNITED STATES' UNDER THE CLEAN WATER ACT," 79 FED. REG. 22188, ET SEQ. (APRIL 21, 2014) ("PROPOSED RULE"). THE STATED PURPOSE FOR PROMULGATING THE NEW RULE IS TO FURTHER CLARIFY THE SCOPE OF THE TERM "WATERS OF THE UNITED STATES" AS DEFINED IN 33 C.F.R. 328.3, AND AS APPLIED BY THE TWO FEDERAL AGENCIES THAT HAVE JURISDICTION TO ENFORCE THE CLEAN WATER ACT (CWA) -- THE EPA AND THE U.S. ARMY CORPS OF ENGINEERS ("CORPS") -- AND TO REDUCE THE NUMBER OF CASE-SPECIFIC RULINGS. THE PROPOSED RULE PURPORTS TO FOLLOW JUSTICE KENNEDY'S CONCURRENCE IN RAPANOS V. UNITED STATES, 547 U.S. 715 (2006), USING A BROAD "SIGNIFICANT NEXUS" TEST, WHILE ALSO EXPANDING THE SCOPE OF THE TERM "ADJACENT" IN ORDER TO INCREASE THE SCOPE OF AUTOMATIC JURISDICTION.

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UNDER THE COMMERCE CLAUSE, THE JURISDICTIONAL SCOPE OF THE CWA IS LIMITED TO "NAVIGABLE WATERS" OF THE UNITED STATES. THIS IS DEFINED IN SECTION 502(7) OF THE STATUTE AS "WATERS OF THE UNITED STATES, INCLUDING THE TERRITORIAL SEAS." ACCORDING TO EPA AND THE CORPS, THIS DEFINITION HAS GENERALLY NOT BEEN LIMITED TO TRADITIONAL NAVIGABLE WATERS.

THE KEY ISSUE IS WHETHER "ADJACENT" WATER BODIES TO TRADITIONAL "WATERS OF THE UNITED STATES" ARE ALSO WITHIN FEDERAL JURISDICTION. THE SUPREME COURT IN RAPANOS LEFT THE LOWER COURTS WITH CONFLICTED GUIDANCE ON HOW BROADLY TO DEFINE THE TERM "WATERS OF THE UNITED STATES." THE COURT SPLIT 4-4-1, WITH JUSTICE KENNEDY CONCURRING. THE FOUR-JUSTICE PLURALITY, IN AN OPINION BY JUSTICE SCALIA, HELD THAT "WATERS OF THE UNITED STATES" INCLUDED "ONLY RELATIVELY PERMANENT, STANDING, OR CONTINUOUSLY FLOWING BODIES OF WATER" CONNECTING TO TRADITIONALLY NAVIGABLE WATERS. MOREOVER, ONLY WETLANDS WITH A "CONTINUOUS SURFACE CONNECTION" TO A TRADITIONAL "WATER OF THE U.S." WOULD BE CONSIDERED 'ADJACENT' TO SUCH WATERS UNDER THE CWA. JUSTICE KENNEDY'S NEBULOUS CONCURRING OPINION SAID THAT THE TERM WOTUS SHOULD ENCOMPASS WETLANDS THAT POSSESS A "SIGNIFICANT NEXUS" TO WATERS THAT (1) ARE OR WERE NAVIGABLE IN FACT OR (2) THAT COULD REASONABLY BE SO MADE.

"SIGNIFICANT NEXUS" COULD BE FOUND IF "THE WETLANDS 'EITHER ALONE OR IN COMBINATION WITH SIMILARLY SITUATED [WET]LANDS IN THE REGION, SIGNIFICANTLY AFFECT THE CHEMICAL, PHYSICAL, AND BIOLOGICAL INTEGRITY OF OTHER COVERED WATERS MORE READILY UNDERSTOOD AS NAVIGABLE,' " IF THIS RELATIONSHIP IS MORE THAN "SPECULATIVE OR INSUBSTANTIAL."

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THE FOUR DISSENTERS, IN AN OPINION BY JUSTICE STEVENS, JOINED BY BREYER, SOUTER AND GINSBURG, WOULD HAVE DEFERRED TO THE AGENCY'S BROAD INTERPRETATION.

SINCE THERE WAS NO MAJORITY OPINION, IT IS UNCLEAR WHICH RAPANOS OPINION IS PERSUASIVE. THE SEVENTH, NINTH, AND ELEVENTH CIRCUITS HAVE RULED THAT KENNEDY'S CONCURRING OPINION IS CONTROLLING; THE FIRST AND EIGHTH CIRCUITS HAVE HELD THAT EITHER KENNEDY'S CONCURRENCE OR THE PLURALITY HOLDING MAY CONTROL; AND, ONE DISTRICT COURT HAS HELD THE PLURALITY HOLDING ALONE IS DETERMINATIVE.

THE FOUNDATION'S COMMENTS CRITICIZED THE PROPOSED RULE FOR DEFINING "WATERS OF THE UNITED STATES" TOO BROADLY, THEREBY UNNECESSARILY EXPANDING FEDERAL JURISDICTION OVER, AND INTERFERENCE WITH, STATE AND LOCAL LAND USE REGULATION. THE PROPOSED RULE, WHILE PRESENTED AS A MODEST CLARIFICATION OR MODIFICATION OF THE CURRENT DEFINITION OF "JURISDICTIONAL" WATERS UNDER THE CLEAN WATER ACT, COULD RESULT IN A SUBSTANTIAL EXTENSION OF FEDERAL JURISDICTION.

THE FOUNDATION'S COMMENTS ON THE PROPOSED RULE ASSERT THAT EPA'S PROPOSED RULE IS UNREASONABLY BROAD, RENDERING VIRTUALLY ALL WATER BODIES, WITH FEW EXCEPTIONS, SUBJECT TO THE JURISDICTION OF THE CORPS AND THE EPA AND THAT IT CONFLICTS WITH THE MORE CONCRETE AND LIMITED PLURALITY TEST IN RAPANOS.

THE FOUNDATION HAS BEEN INVOLVED IN NUMEROUS CASES INVOLVING FEDERAL CLEAN WATER ACT REGULATION, SUCH AS SACKETT V. EPA, 132 S. CT. 1367 (2012) AND RAPANOS V. U.S. (2006), AND THE MORE RECENT KENT RECYCLING,

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FARMERS, MANUFACTURERS AND OTHER PRIVATE PROPERTY OWNERS TO USE THEIR LAND IN LEGITIMATE AND PRODUCTIVE WAYS.

IN NONE OF THE FOREGOING CASES WERE ANY FEES SOUGHT OR RECOVERED.

FORM 990, PART VI, SECTION B, LINE 11:

ATLANTIC LEGAL HAS ENGAGED AN OUTSIDE ACCOUNTING FIRM TO PREPARE ITS FORM 990. THE DRAFT FORM 990, PREPARED BY THE OUTSIDE ACCOUNTING FIRM, WAS PROVIDED TO THE CHAIRMAN OF THE BOARD AND EACH DIRECTOR BY ELECTRONIC MAIL PRIOR TO FILING WITH THE IRS. EACH DIRECTOR WAS ASKED TO REVIEW THE DRAFT FORM 990 AND PROVIDE COMMENTS OR QUESTIONS. THE OFFICERS OF THE FOUNDATION AND THE FOUNDATION'S BOOKKEEPING CONSULTANT WERE IN FREQUENT COMMUNICATION WITH THE FOUNDATION'S OUTSIDE ACCOUNTANTS AND AUDITORS BY ELECTRONIC MAIL AND TELEPHONE TO PROVIDE INFORMATION, RAISE QUESTIONS AND PROVIDE COMMENTS ON THE FORM 990 PRIOR TO FILING WITH THE IRS. AFTER ALL QUESTIONS AND COMMENTS HAVE BEEN ADDRESSED, THE FINAL FORM 990 IS PREPARED AND SUBMITTED TO THE PRESIDENT OF THE FOUNDATION FOR HIS APPROVAL AND SIGNATURE. IT IS THEN FILED WITH THE IRS.

FORM 990, PART VI, SECTION B, LINE 12C:

THE FOUNDATION'S CONFLICT OF INTEREST POLICY IS SUBMITTED ANNUALLY TO EACH BOARD MEMBER, ADVISOR AND STAFF MEMBER FOR REVIEW AND SIGNATURE. IF IT IS DETERMINED THAT AN ACTUAL CONFLICT EXISTS, THE BOARD MEMBER, ADVISOR OR STAFF MEMBER WILL BE NOTIFIED AND THE MATTER WILL BE INVESTIGATED BY THE CHAIRMAN. NO BOARD MEMBER WILL BE ALLOWED TO VOTE OR PARTICIPATE IN BOARD DISCUSSIONS ABOUT ANY MATTERS INVOLVING THE CONFLICT UNTIL IT IS RESOLVED.

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DESCRIBED ABOVE.

WHILE IT DOES NOT APPEAR THAT THE PROPOSED RULE WOULD FACIALLY EXPAND ON THE "SIGNIFICANT NEXUS" TEST IN JUSTICE KENNEDY'S CONCURRENCE IN RAPANOS, SINCE IT PURPORTS TO BE WRITTEN IN THE SPIRIT OF THE CONCURRENCE (THE RULE SUMMARY MAKES REPEATED REFERENCES TO IT), IT WOULD ALMOST CERTAINLY NOT MEET THE CRITERIA IN THE SCALIA PLURALITY OPINION. MOREOVER, EVEN IF THE PROPOSED RULE WERE ADOPTED, IT MIGHT WELL BE APPLIED IN A MANNER INCONSISTENT WITH THE INTENT OF KENNEDY'S CONCURRENCE, ESPECIALLY KENNEDY'S STATEMENT THAT THE IMPACT OF THE SUBJECT WETLANDS ON NAVIGABLE WATERS MUST BE MORE THAN "SPECULATIVE OR INSUBSTANTIAL."

THE PROPOSED RULE WILL ALSO INCREASE THE TYPES OF WATER BODIES THAT FALL WITHIN THE JURISDICTION OF BOTH THE EPA AND CORPS BY EXPANDING THE TERM "ADJACENT WETLANDS," GIVING BOTH AGENCIES INCREASED DISCRETION. UNDER THE PROPOSED RULE SUB-SURFACE HYDROLOGIC CONNECTIONS MAY NOW FULFILL THE ADJACENCY REQUIREMENT, CLEARLY DISREGARDING THE RAPANOS PLURALITY HOLDING. FOR ANY WATERS THAT DO NOT FALL WITHIN THE REQUIREMENTS FOR PER SE JURISDICTION, THE PROPOSED RULE ALLOWS THE COURTS TO ENGAGE IN CASE-SPECIFIC ANALYSIS FOR WHETHER THERE IS A SIGNIFICANT NEXUS AND TO DEFER TO AGENCY "EXPERTISE."

THE FOUNDATION'S EXTENSIVE COMMENTS ON THE PROPOSED RULE MODIFYING THE DEFINITION AND EXPANDING THE CONCEPT OF "WATERS OF THE UNITED STATES" WERE IN THE PUBLIC INTEREST BECAUSE THE PROPOSED RULE EXPANDS FEDERAL REGULATORY JURISDICTION BEYOND CONSTITUTIONAL BOUNDARIES, AMOUNTS TO ADMINISTRATIVE AGENCY OVERREACH, AND FURTHER ENCUMBERS THE ABILITY OF

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FORM 990, PART VI, SECTION B, LINE 15:

THE EXECUTIVE COMMITTEE OF ATLANTIC LEGAL'S BOARD WITHOUT THE PARTICIPATION OF THE PRESIDENT, DETERMINES THE COMPENSATION OF MEMBERS OF THE SENIOR STAFF, I.E., THE PRESIDENT AND THE SENIOR VICE-PRESIDENTS. THE EXECUTIVE COMMITTEE CONSIDERS COMPARABLE SALARIES OF OTHER EMPLOYERS OF LAWYERS IN THE SAME GEOGRAPHICAL MARKET AND NATIONWIDE. THIS PROCESS WAS LAST UNDERTAKEN IN NOVEMBER 2014 AND WAS DOCUMENTED IN THE MINUTES OF THE EXECUTIVE COMMITTEE.

FORM 990, PART VI, SECTION C, LINE 19:

THE FOUNDATION MAKES ITS FORM 990 AVAILABLE FOR PUBLIC INSPECTION AS REQUIRED UNDER SECTION 6104 OF THE INTERNAL REVENUE CODE. THE RETURN IS POSTED ON GUIDESTAR.ORG AND OTHER SIMILAR TYPES OF WEBSITES. IN ADDITION, THE FINANCIAL STATEMENTS, ARTICLES OF INCORPORATION, FORM 990, FORM 1023, AND BY-LAWS ARE ALSO AVAILABLE UPON WRITTEN REQUEST OR BY CALLING THE ORGANIZATION DIRECTLY.

FORM 990, PART XII, LINE 2C:

THE FOUNDATION IS GOVERNED BY A 29 MEMBER BOARD OF DIRECTORS, 28 OF WHOM ARE INDEPENDENT DIRECTORS. THE INDEPENDENT DIRECTORS SERVE WITHOUT COMPENSATION. THE BOARD ORDINARILY MEETS 3 TIMES A YEAR. BETWEEN BOARD MEETINGS, THE FOUNDATION IS DIRECTED BY AN EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS, CONSISTING OF 10 DIRECTORS, 9 OF WHOM ARE INDEPENDENT DIRECTORS. THE 9 INDEPENDENT MEMBERS OF THE EXECUTIVE COMMITTEE ALSO ACT AS THE AUDIT COMMITTEE, RESPONSIBLE FOR THE OVERSIGHT OF THE AUDIT OF FINANCIAL STATEMENTS AND SELECTION OF AN INDEPENDENT OUTSIDE ACCOUNTANT/AUDITOR. THIS PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

# Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

► File a separate application for each return.  
► Information about Form 8868 and its instructions is at [www.irs.gov/form8868](http://www.irs.gov/form8868)

- If you are filing for an **Automatic 3-Month Extension**, complete only Part I and check this box
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II (on page 2 of this form)



**Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Electronic filing (e-file)** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits.

## Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only



All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

**Enter filer's identifying number**

Type or print  File by the due date for filing your return. See instructions	Name of exempt organization or other filer, see instructions  <b>ATLANTIC LEGAL FOUNDATION</b>	Employer identification number (EIN) or  <b>23-2022920</b>
	Number, street, and room or suite no. If a P.O. box, see instructions.  <b>2039 PALMER AVENUE, NO. 104</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.  <b>LARCHMONT, NY 10538</b>	

Enter the Return code for the return that this application is for (file a separate application for each return)

**0 1**

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**ROSEMARY L. WEBBER "ACCOUNTANT"**

- The books are in the care of ► **1537 EMERSON DRIVE - MOUNT JOY, PA 17552**

Telephone No. ► **(717) 653-5920**

Fax No. ► \_\_\_\_\_

- If the organization does not have an office or place of business in the United States, check this box



- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box ►  . If it is for part of the group, check this box ►  and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until

**AUGUST 15, 2015**, to file the exempt organization return for the organization named above. The extension

is for the organization's return for:

►  calendar year **2014** or

►  tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_.

2 If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See Instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

**Caution.** If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.